SQUIRE MINING LTD.

FORM 2A

LISTING STATEMENT

regarding a change of business involving the development, manufacture and sale of data mining infrastructure and system technology to support global blockchain applications in the mining space

DATE: July 31, 2018

Neither the Canadian Securities Exchange nor any securities regulatory authority has in any way passed upon the merits of the change of business described in this Listing Statement.

1. Table of Contents

2. *Glossary of Terms*

In this Listing Statement, the following terms shall have the meaning ascribed thereto as set out below:

"**2017 Annual Listing Statement**" means the Company's amended annual updated listing statement dated May 9, 2018 for the year ended October 31, 2017, a copy of which is available for review under the Company's profile on the CSE.

"**Affiliate**" means a company that is affiliated with another company as follows:

(a) a company is an "Affiliate" of another company if:

(i) one of them is the subsidiary of the other; or

(ii) each of them is controlled by the same Person.

(b) company is "controlled" by a Person if:

(i) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and

(ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

(c) a Person beneficially owns securities that are beneficially owned by:

(i) a company controlled by that Person; or

(ii) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**APMS**" means APMS Investment Fund Ltd., an investment fund domiciled in the Republic of Mauritius.

"**Aracore**" means Aracore Technology Corp., a 66.5% owned subsidiary of the Company incorporated under the BCBCA.

"Aracore Board" means the board of directors of Aracore as constituted from time to time.

"Aracore Shareholder Agreement" means the amended and restated shareholders' agreement dated July 11, 2018 between Squire and Kim governing their respective rights and obligations as shareholders of Aracore as more particularly described under Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Aracore Shareholder Agreement*".

"**Arasystems**" means Arasystems Technology Corp., a 100% owned subsidiary of the Company incorporated under the BCBCA.

"**ASIC Chip**" means a Chip customized for a particular use, such as bitcoin mining, rather than intended for general-purpose use.

"**Associate**" when used to indicate a relationship with an individual or company, means:

(a) an issuer of which the individual or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the individual or company;

(c) any trust or estate in which an individual or company has a substantial beneficial interest or in respect of which an individual or company serves as trustee or in a similar capacity;

(d) in the case of an individual, a relative of that individual, including:

(i) that individual's spouse or child; or

(ii) any relative of the individual or of his spouse who has the same residence as that individual.

"**Available Funds**" means the estimated funds to be available to the Company upon Closing of the Change of Business Financing to carry out the Company's Change of Business and Development Plan as more particularly described under Item 7 "*Narrative Description of the Change of Business - Available Funds and Principal Purposes*" herein.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended from time to time.

"**bitcoin**" means the bitcoin cryptocurrency and includes, after August 1, 2017, both Bitcoin Core and Bitcoin Cash.

"**Bitcoin Cash**" means the alternative (and separate) form of bitcoin cryptocurrency created as a result of a split or hard "fork" of the bitcoin blockchain network on August 1, 2017.

"**Bitcoin Core**" refers to the "original" bitcoin cryptocurrency after the fork of Bitcoin Cash on August 1, 2017. This version of bitcoin has implemented the Segwit protocol and has a severe limitation on transaction speed based on the fixed block size of 1MB.

"**blockchain**" means a cryptographically-secured, digital public transaction ledger which records transactions in chronological order.

"**Board**" or "**Board of Directors**" means the board of directors of Squire as constituted from time to time.

"**Business Day**" means a day other than a Saturday, Sunday or civic holiday in the City of Vancouver, B.C.

"**Change of Business**" means the redeployment of the Company's assets and resources from mineral exploration to the development, manufacture and sale of data mining infrastructure and system technology (including ASIC Chips and Mining Rigs) to support global blockchain applications in the cryptoasset mining space which will result in a "Change of Business" as defined under the policies of the CSE;

"**Change of Business Financing**" means the proposed non-brokered private placement of 63,750,000 Financing Units to raise gross proceeds of $25,500,000 to fund, inter alia, the Change of Business.

"**Chip**" means an integrated circuit or small wafer of semiconductor material (usually silicon) embedded with integrated circuitry comprising the processing and memory units of modern digital computers;

"**Closing**" means the closing of the Change of Business Financing.

"**Commissions**" means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission.

"**Company**" means Squire Mining Ltd. and includes, where the context requires, its subsidiaries including Aracore and Arasystems.

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not affect materially the control of the issuer.

"**Contract Developers**" means those design engineers, programmers and other personnel comprising part of the Development Team who are a party to the Technology Development Agreement between Aracore and the Development Company.

"**cryptoasset**" means a digital asset which utilizes cryptography, peer to peer networking, and a public ledger to regulate the creation of new units, verify transactions, and secure the transactions without the intervention of a central administrator or middleman. Cryptoassets include, among other assets, cryptocurrencies, platform tokens/cryptocommodities, utility tokens and transactional tokens.

"**cryptocurrency**" means a digital currency or form of electronic cash (i.e. Bitcoin Cash) in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds in a decentralized system independent of a central bank or single administrator. Cryptocurrency is a type of cryptoasset.

"**CSE"** means the Canadian Securities Exchange.

"**Design Service Firm**" means the arm's length design fabrication company engaged by Aracore to provide back-end design, testing and manufacture of the Company's ASIC Chips pursuant to the terms and conditions of the Design Service Agreement.

"**Design Service Agreement**" means the design service agreement entered into between Aracore and the Design Service Firm governing the back-end design, testing and manufacture of the Company's ASIC Chips as more particularly described under Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Design Service Agreement*".

"**Development Company**" means the arm's length private company based in South Korea engaged by Aracore to provide the front-end design and development of the Company's ASIC Chips pursuant to the terms and conditions of the Technology Development Agreement.

"**Development Plan**" means the Company's plan for the design and development of ASIC Chips including, but not limited to, certain performance milestones, timelines and budgets as agreed to by Squire and Kim in connection with the Aracore Shareholder Agreement.

"**Development Team**" means the team of design engineers, programmers and other personnel assembled by Kim pursuant to the Aracore Shareholder Agreement to design and develop ASIC Chips on behalf of Aracore pursuant to the terms of the Technology Development Agreement.

"**Distributor**" means Fighting Dog Trading Ltd., an arm's length private company, or its assignee, to be engaged by the Company for the marketing, sale and distribution of the Company's ASIC Chips and Mining Rigs pursuant to the terms and conditions of the Distributor Agreement.

"**Distributor Agreement**" means the exclusive distributor agreement to be entered into among, inter alia, the Company, Aracore and the Distributor governing the marketing, sales and distribution of the Company's ASIC Chips and Mining Rigs as more particularly described under Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Distributor Agreement*".

"**CSE Approval**" means the CSE's approval of the Change of Business.

"**Financing Share**" means a common share in the capital stock of the Company which comprises part of a Financing Unit.

"**Financing Subscription Agreement**" means the subscription agreement to be entered into between Squire and the Lead Subscriber in connection with the Change of Business Financing.

"**Financing Unit**" means a unit of the Company to be sold pursuant to the Change of Business Financing at a price of $0.40 per unit, with each Financing Unit being comprised of one Financing Share and one-half (1/2) of one Financing Warrant.

"**Financing Warrant**" means a whole share purchase warrant to purchase one Financing Warrant Share at a price of $0.80 for a period of two years, of which one-half (1/2) of one Financing Warrant comprises part of each Financing Unit.

"**Financing Warrant Share**" means a common share in the capital of the Company issuable upon the exercise of a Financing Warrant.

*"***IFRS***"* means International Financial Reporting Standards as adopted by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee.

"**Insider**" if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of the company that is an Insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities.

"**Initial Funding**" means the initial funding of up to US$3,000,000 that Squire is responsible for advancing to Aracore under the Aracore Shareholder Agreement to fund the design, development and, if applicable, manufacture of an initial ASIC Chip.

"**Kim**" means Peter Kim, a business executive resident in California, U.S.A. and the owner of the remaining 33.5% equity interest in Aracore not owned by the Company.

"**Kim Executive Contractor Agreement**" means the executive contractor agreement dated June 6, 2018, as amended on July 11, 2018, between Aracore and Kim pursuant to which Aracore has engaged Kim to provide executive contractor services for an initial term of three years.

"**Kim Letter Agreement**" means the letter agreement dated March 8, 2018 between Squire and Kim establishing a framework for the joint design, development and manufacture of ASIC Chips, which agreement was superseded by the Aracore Shareholder Agreement and Kim Executive Contractor Agreement.

"**Lead Subscriber**" means APMS.

"**Listing Statement**" means this Form 2A listing statement of the Company dated July 31, 2018, filed with the CSE pursuant to the polices of the CSE.

"**MI 61-101**" means Multilateral Instrument 61-101 "*Protection of Minority Security Holders in Special Transactions*" adopted by, inter alia, the Ontario Securities Commission.

"**mining**" or "**to mine**" means the process by which transactions are verified and added to the blockchain for bitcoin or other cryptoassets and also the means through which new bitcoin or other cryptoassets are released. The mining process involves compiling recent transactions into block and trying to solve a computationally difficult puzzle. The first miner or mining pool to create the proof of

work for a block is rewarded with transaction fees for those transactions confirmed in the block as well as new bitcoin or other cryptoasset.

"**Mining Rig**" means a computer system used for mining bitcoin or other cryptoassets.

"Named Executive Officers" means the Chief Executive Officer, Chief Financial Officer, and certain other executive officers of the Company and its subsidiaries listed as set out in Item 18 "*Executive Compensation*" herein.

"**Option Plan**" means the Company's 10% "rolling" stock option plan governing the granting of incentive stock options to directors, officers, employees, and consultants of the Company from time to time as more particularly described in Item 12 "Options to Purchase Securities" herein.

"**Person**" is to be broadly interpreted and includes an individual, company, limited liability company, corporation, partnership, trust, unincorporated organization, governmental authority, and the executors, administrators or other legal representatives of an individual in such capacity.

"**Recovery Date**" means the date on which Squire has been repaid 100% of its capital contributions to Aracore including, but not limited to, the Initial Financing.

"**Related Party**" has the meaning ascribed to such term in MI 61-101 and includes in relation to the Company, but is not limited to, (a) a director or senior officer of the Company, (b) a Control Person of the Company, and (c) a person that has beneficial ownership of, or control or direction over, directly or indirectly, or a combination of beneficial ownership of, and control or direction over, directly or indirectly, more than 10% of the issued and outstanding common shares of the Company.

"**Royalty**" means the royalty payable by Aracore to Kim on Aracore's gross revenues from the sale of ASIC Chips pursuant to the Aracore Shareholder Agreement.

"**Star Property**" means the Company's early stage mineral exploration prospect totalling approximately 2,274 hectares located 80 kilometres west southwest of Quesnel, British Columbia in which the Company holds an option to acquire up to an 80% undivided interest in consideration for, inter alia, a combination of cash and exploration expenditures.

"**Subscriber**" means a subscriber for Financing Units of the Company pursuant to the Change of Business Financing and "**Subscribers**" means more than one Subscriber.

"**Technology Development Agreement**" means the technology development agreement dated April 1, 2018 between Aracore, the Development Company and the Contractor Developers governing the front-end design and development of ASIC Chips by the Development Company on behalf of Aracore as more particularly described under Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Technology Development Agreement*".

Words importing the singular number only include the plural and vice versa, and words importing any gender include all genders.

In this Listing Statement, other words and phrases that are capitalized have the meaning assigned in this Listing Statement.

3. Preliminary Notes

Effective Date of Information

References to “Squire Mining”, “Squire”, the “Company”, “its”, “our” and “we”, or related terms, in this Listing Statement, refer to Squire Mining Ltd. and includes, where the context requires, its subsidiaries.

All information contained in this Listing Statement is as at July 31, 2018, unless otherwise stated.

Exchange Rate Information

In this Listing Statement, all references to “$” or “C$” refer to Canadian dollars and all references to “US$” refer to U.S. dollars.

The indicative exchange rate on July 30, 2018 as reported by the Bank of Canada for the conversion of U.S. dollars into Canadian dollars was US$1.00 equals C$1.3021.

4. Forward Looking Information

Certain statements and information contained in this Listing Statement constitute “forward-looking statements” and “forward looking information” within the meaning of applicable securities legislation. Forward-looking statements and forward looking information include statements concerning the Company’s current expectations, estimates, projections, assumptions and beliefs, and, in certain cases, can be identified by the use of words such as “**seeks**”, **“plans”, “expects”, “is expected”, “budget”, “estimates”, “intends”, “anticipates”**, or **“believes”**, or variations of such words and phrases or statements that certain actions, events or results **“may”, “could”, “should”, “would”, “might”** or **“will”, “occur”** or **“be achieved”**, or the negative forms of any of these words and other similar expressions.

Forward-looking statements and forward looking information reflect the Company’s current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements and forward looking information, including without limitation:

- the Company’s lack of operating history as a technology development company;
- uncertainty as to the Company’s ability to continue as a going concern;
- the Company’s ability to obtain adequate financing for research, development and manufacturing of ASIC Chips and Mining Rigs;
- the Company’s ability to attract and retain qualified personnel;
- forecasts regarding the future growth and business value of blockchain applications and the demand for cryptoassets and cryptocurrencies (including Bitcoin Core and Bitcoin Cash);
- foreign currency fluctuations;
- uncertainty as to the Company’s ability to maintain effective internal controls;
- the involvement by some of the Company’s directors and officers with other private and public companies;
- the uncertain nature of estimating and planning for technological change and market demand;
- uncertainty surrounding the Company’s ability to successfully design and develop commercially viable ASIC Chips and Mining Rigs;
- research, design, development and manufacturing risks, including risks related to infrastructure, accidents and equipment breakdowns;
- the Company’s ability to develop, use and protect its intellectual property and the potential for infringement of third party intellectual property rights;
- product defects and warranty claims;
- the Company’s ability to obtain all necessary permits and other approvals;

- risks related to equipment or component shortages, assembly capacity and inadequate infrastructure;
- risks related to the Company's ability to supply the demand for ASIC Chips;
- increased costs and restrictions on operations due to potential lawsuits;
- fluctuations in the market price of bitcoin and other cryptoassets;
- intense competition in the bitcoin and cryptoasset mining industry;
- the Company's ability to obtain future financing on reasonable terms, if at all; and
- the Company's ability to comply with applicable regulatory requirements.

In making the forward-looking statements and developing the forward looking information included in this Listing Statement, the Company has made various material assumptions, including, but not limited to:

- the timing, cost and results of the Company's design and development plans for ASIC Chips and Mining Rigs will be consistent with current expectations;
- the Company's assessment and interpretation of the bitcoin and cryptoasset market and, in particular, the demand for ASIC Chips and Mining Rigs are accurate in all material respects;
- the future growth in business value of blockchain applications and the continued use and reliance upon the proof-of-work validation model will be consistent with current expectations;
- the quality, durability and performance characteristics of the Company's ASIC Chips and Mining Rigs being consistent with the Company's designs in all material respects;
- the sufficiency of the Available Funds to carry out the Company's proposed design, development and manufacturing plans including, but not limited to, the development and manufacture of the Company's initial next generation ASIC Chips and Mining Rigs on a timely basis;
- the price for ASIC Chips and Mining Rigs will not fall significantly below current levels;
- the Company will be able to secure additional financing to continue research and, if warranted, development of next generation ASIC Chips, Mining Rigs and other new products and meet future obligations as required from time to time;
- the Company will be able to obtain regulatory approvals and permits in a timely manner and on terms consistent with current expectations;
- the Company will be able to manufacture ASIC Chips and procure other Mining Rig components, equipment, energy and supplies in a timely and cost efficient manner to meet the Company's needs from time to time;
- the Company's capital and operating costs will not increase significantly from budgeted levels;
- key personnel will continue their employment with the Company and the Company will be able to obtain and retain additional qualified personnel, as needed, in a timely and cost efficient manner;
- there will be no significant adverse changes in the currency exchange rates of the Canadian dollar to US dollars and other applicable currencies;
- there will be no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements; and
- the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in Korea and the other countries or regions upon which the Company's development and manufacturing requirements and operations will be dependent.

Other assumptions are discussed throughout this Listing Statement and elsewhere in the Company's public disclosure record.

The Company's ability to predict the results of its operations or the effects of various events on its operating results is inherently uncertain. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements and forward looking information or the assumptions on which the Company's forward-looking statements and forward looking information are based. Investors are advised to carefully review and consider the risk factors identified in this Listing Statement under, among other places, Item 20 "*Risk Factors*" and elsewhere in the Company's public disclosure record for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements and forward looking information. Investors are further cautioned that

the foregoing list of risks and assumptions is not exhaustive and prospective investors should consult the more complete discussion of the Company's business, financial condition and prospects that is included in this Listing Statement and elsewhere in the Company's public disclosure record.

Although the Company believes that the assumptions on which the forward-looking statements are made and forward looking information is provided are reasonable, based on the information available to the Company on the date such statements were made or such information was provided, no assurances can be given as to whether these assumptions will prove to be correct. The forward-looking statements and forward looking information contained in this Listing Statement are expressly qualified in their entirety by the foregoing cautionary statements. Furthermore, the above risks are not intended to represent a complete list of the risks that could affect the Company and readers should not place undue reliance on forward-looking statements and forward looking information in this Listing Statement.

Forward-looking statements and forward looking information speak only as of the date the statements are made or such information is provided. The Company assumes no obligation to update publicly or otherwise revise any forward-looking statements or forward looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking statements or forward looking information, except to the extent required by applicable laws. If the Company does update one or more forward-looking statements or forward looking information, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements or forward looking information.

5. Corporate Structure

Name and Incorporation

The Company was incorporated under the *BCBCA* on March 23, 2011 under the name "0906251 B.C. Ltd.". Effective January 13, 2015, the Company changed its name to "Squire Mining Ltd.". Other than the foregoing, there have been no material amendments to the Company's constating documents.

The Company's head office and registered and records offices are located at Suite 1100 – 595 Howe Street, Vancouver, British Columbia V6C 2T5.

Inter-corporate Relationships

The Company has two subsidiaries.

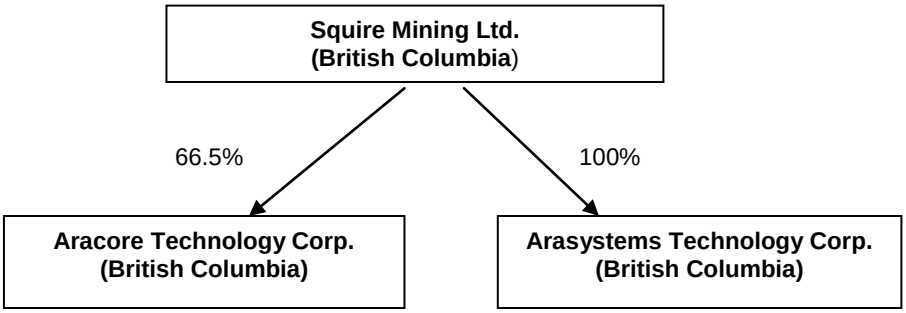
The Company holds a 66.5% voting interest in Aracore, a private B.C. company. Aracore was incorporated under the BCBCA on March 22, 2018 under the name "1157814 B.C. Ltd. and changed its name to "Aracore Technology Corp." on April 10, 2018. There are no restricted shares in Aracore beneficially owned by the Company.

Currently, Aracore acts as the Company's joint venture company with Kim for the purpose of designing, developing and commercializing the Company's next generation ASIC Chips. At present, the Company holds a 66.5% voting interest and Kim holds a 33.5% voting interest in Aracore. See Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Aracore Shareholders Agreement*".

The Company also holds a 100% voting interest in Arasystems, a private B.C. company. Arasystems was incorporated under the BCBCA on July 12, 2018. There are no restricted shares in Arasystems beneficially owned by the Company.

Arasystems has been newly incorporated by the Company in anticipation of entering into a joint venture relationship with an arm's length third party for the design and assembly of the Company's Mining Rigs. As of the date of this Listing Statement, Arasystems has not entered into any joint venture relationship or otherwise carried any business; however, it is anticipated that at such time, if ever, as the Company forms a joint venture relationship for the design and assembly of its Mining Rigs, the Company will own a 75% voting interest in Arasystems and the joint venture partner will own a 25% voting interest.

The following chart illustrates the inter-corporate relationships among the Company and its subsidiaries as of the date of this Listing Statement.



6. General Development of the Business

History

The Company completed an initial public offering of 3,000,000 common shares at a price of $0.10 per share for gross proceeds of $300,000 on June 12, 2015 and as a result became a "reporting issuer" in the Canadian provinces of British Columbia, Alberta and Ontario. The Company's common shares were subsequently listed for trading on the CSE effective June 16, 2015 under the symbol "SQR".

Since its incorporation, the Company has been engaged primarily in the business of acquiring and exploring mineral resource properties in British Columbia. Currently, the Company holds an option to acquire up to an 80% undivided interest in six mineral tenures totalling approximately 2,274 hectares located 80 kilometres west southwest of Quesnel, British Columbia (the "**Star Property**"). The Company has also staked seven other mineral tenures totalling approximately 4,192 hectares in the Chilcotin and Netchako regions of central British Columbia which are prospective for gold and silver.

For further details on the Star Property and the Company's other mineral tenures, please refer to the Company's 2017 Annual Listing Statement, a copy of which is available for review under the Company's profile on the CSE.

However, faced with weak capital markets for junior resource issuers, in the fall of 2016 the Company began investigating other potential business opportunities to build shareholder value.

In October, 2016, the Company entered into a binding letter of intent with Strategic Aviation Holdings Ltd. ("**SAH**"), a privately owned national multi-functional aviation services provider focused on airline ground handling and catering logistics services in Canada, with a view to completing a business combination transaction that would have resulted in the Company acquiring all of the issued and outstanding shares of SAH in exchange for common shares of the Company. However, the parties subsequently terminated the letter of intent in January 2017 after they were unable to meet certain conditions (including a financing condition) required to complete the transaction on mutually acceptable terms. The Company incurred approximately $99,000 on investigation and due diligence costs in connection with this proposed transaction.

In January 2018, the Company acquired from IAS-38 Capital Corporation ("**IAS-38**"), a private B.C. company, an 18% minority interest in an exclusive 8 year license (the "**Dahrwin License**") to commercially exploit a patented communications technology designed to create fully autonomous wireless communication networks without the need to connect to the internet, cellular or other communications infrastructure solely for commercial applications within the mining resource industry worldwide ("**Mining Applications**"). The technology allows nearby wireless devices (such as smart phones, tablets or personal safety devices) to connect directly with each other wirelessly, and transfer data without the necessity for any intermediaries similar to the concept of walkie-talkie radios, but with the capability of smart phones to transfer text, video, voice, pictures and multimedia. The purchase price for the 18% interest was $150,000 and the reimbursement of certain expenses incurred by IAS-38 totalling $75,000. Under the terms of the assignment of partial interest in license, IAS-38 must incur, within one year, a minimum of $50,000 in qualified expenditures to develop mining related uses for the technology, failing which the Company's interest in the Dahrwin License will automatically increase to 25% (as it relates solely to Mining Applications). At such time as IAS-38 has incurred its minimum expenditure, the parties will reassess the technology and, if warranted, determine a mutually agreeable plan to further fund and advance its development.

In February 2018, the Company purchased 430,000 units of Universal mCloud Corp. ("**mCloud**") at $0.35 per unit for a total subscription price of $150,500. In May 2018, the Company purchased a further 300,000 units of mCloud at $0.35 per unit for an additional subscription price of $105,000. Each unit consisted of one common share and one-half (1/2) of one common share purchase warrant. Each whole warrant entitles the Company to purchase an additional common share at $0.45 exercisable for 36 months, subject to early acceleration by mCloud if the 10 day weighted average trading price of mCloud's common shares is at any time greater than $0.80 per share. mCloud is a technology company building

the next generation IoT platform for asset and smart energy management listed on the TSX Venture Exchange (symbol – MCLD). The Company purchased the units of mCloud for investment purposes only and has no present intention to acquire further securities of mCloud, although the Company may in the future increase or decrease its investment in mCloud by acquiring or disposing of securities of mCloud through the market, privately or otherwise, depending on market conditions and any other relevant factors.

Proposed Change of Business

On March 14, 2018, the Company announced that it had entered into the Kim Letter Agreement to undertake, on an exclusive basis, the joint development of ASIC Chips to mine Bitcoin and other cryptocurrencies.

The Company and Kim agreed to form a joint venture company to undertake the design, development and commercialization of next generation ASIC Chips for mining bitcoin and/or other cryptocurrencies in which the Company would hold an initial 66 2/3% interest and Kim would hold an initial 33 1/3% interest. Under the letter agreement, the Company is responsible for providing initial funding of up to US$3,000,000 and Kim is responsible for the design and development of the ASIC Chips including assembling a team of design engineers, programmers and other personnel with the necessary skills and expertise to develop the ASIC Chips. Actual funding will be staged and contingent upon Kim meeting certain milestones and time frames for the initial design and development of a next generation ASIC Chip, estimated to take 3 to 5 months. Upon completing US$3,000,000 in funding, the Company's interest in the joint venture company will automatically increase to 75% and Kim's interest will automatically reduce to 25%, with additional funding to be on terms mutually acceptable to the Company and Kim. Kim is also entitled to a royalty on gross revenues from the sale of ASIC Chips equal to 1.25% until such time as the Company has recovered 100% of its capital contributions, after which time the royalty shall increase to 2.5% of gross revenues.

Kim is a business executive with extensive experience in chip design and system architecture, developing IT solutions and support, vendor sourcing and project management. Kim started his career in chip design and system engineering architecture in 1999. He has been involved in chip design and phase one chip architecture including software and hardware R&D, database and management systems development, network infrastructure design and security systems, ASIC and module solutions. Kim holds a Bachelor of Science, Computer Science Major (1999), from Washington University, School of Engineering, in Saint Louis, MO and is multilingual in English, Korean and Japanese.

The Company believes that the recent rapid growth in the blockchain and digital asset sectors present opportunities for new providers developing next generation data mining infrastructure and system technology (including ASIC Chips and Mining Rigs for bitcoin and other cryptoassets) which the Company believes is one of the central foundations underpinning the cryptocurrency industry. See Item 7 "*Narrative Description of the Change of Business*" for a description of the Company's proposed Change of Business and the cryptoasset industry.

Recent Financings

In September 2017, the Company completed a non-brokered private placement of 6,366,666 units (the "**First Units**") at a price of $0.06 per First Unit for gross proceeds of $382,000. Each First Unit consisted of one common share and one transferable share purchase warrant to purchase an additional common share at a price of $0.08 per share until September 13, 2019. The Company paid finder's fees totalling 402,500 First Units in connection with this private placement.

In December 2017, the Company completed a second non-brokered private placement of 10,133,333 units (the "**Second Units**") at a price of $0.06 per Second Unit for gross proceeds of $608,000. Each Second Unit consisted of one common share and one transferable share purchase warrant to purchase one additional common share at a price of $0.08 for a period of two years. The Company paid finder's fees totalling 560,000 Second Units in connection with this private placement.

In May 2018, the Company completed a third non-brokered private placement of 13,174,500 units (the "**Third Units**") at a price of $0.25 per Third Unit for gross proceeds of $3,293,625. Each Third Unit consisted of one common share and one-half (1/2) of a share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at a price of $0.50 for a period of two years. Finder's fees totalling $180,600 cash, 115,815 Third Units and 838,215 finder's warrants, on the same terms as the warrants forming part of the Third Units, were paid to certain finders in connection with this private placement.

As a result of the above-noted private placements, as at June 30, 2018, the Company had cash and cash equivalents of $2,255,719 and working capital of approximately $2,840,226 (unaudited).

See Item 7 "*Narrative Description of the Change of Business - Available Funds and Principal Purposes*" below.

Change of Business Financing

On July 4, 2018, the Company entered into a non-binding term sheet with certain arm's length third parties to undertake, subject to conditions, the Change of Business Financing. The Change of Business Financing consists of a non-brokered private placement of 63,750,000 Financing Units at a price of $0.40 per Financing Unit for gross proceeds of $25,500,000 to fund, among other things, the Change of Business and Development Plan including the design, development and manufacture of the Company's next generation ASIC Chips and Mining Rigs. Each Financing Unit will consist of one Financing Share and one-half (1/2) of one Financing Warrant, with each whole Financing Warrant entitling the holder to purchase an additional Financing Warrant Share of the Company at a price of C$0.80 for a period of two years after Closing.

It is anticipated that APMS will participate in the Change of Business Financing by purchasing a total of 7,750,000 Financing Units at a price of $0.40 per Financing Unit for an aggregate subscription price of $3,100,000. As of the date of this Listing Statement, APMS owns 8,000,000 common shares or approximately 14.11% of the issued and outstanding shares of the Company and as such is a Related Party of the Company for the purposes of MI 61-101. See Item 15 "*Principal Shareholders*" below. The Company intends to rely upon the exemptions from the requirement to obtain a formal valuation and seek minority shareholder approval for APMS' participation in the Change of Business Financing on the basis that the fair market value of APMS' participation will not exceed 25% of the Company's current market capitalization.

See also "*Summary of Change of Business Transaction Documents – Financing Subscription Agreement*" and "*Available Funds and Principal Purposes*" in Item 7 "*Narrative Description of the Business"* below for further details of the Change of Business Financing and the proposed use of proceeds therefrom.

Other Matters

In March 2018, Simon Moore was appointed as President and Chief Executive Officer of the Company in place of Tibor Gajdics who had been acting as interim President and Chief Executive Officer since Ian Mann's resignation as a director and officer of the Company for personal reasons in June 2017. Rich Wheeless was appointed as Chief Financial Officer of the Company on March 30, 2018 following Kevin Hansen's retirement from such position. On May 29, 2018, Tibor Gajdics stepped down as Chairman of the Company and Simon Moore was appointed as Executive Chairman in his place. On July 30, 2018, Emma Fairhurst resigned as Executive Vice-President, Operations of the Company and Rick Underhill was appointed Executive Vice-President in her place. See Item 16 "*Directors and Officers*" below.

In July 2017, the Company announced that certain then directors and insiders of the Company had granted a private share purchase option to Ore Capital Partners Ltd. ("**Ore Capital**"), a private British Columbia company, and/or its assignees to acquire a total of 11,000,000 common shares of the Company from such directors and insiders for an aggregate purchase price of $210,000. Ore Capital and/or its assignees subsequently exercised this option in full in January, 2018.

Except as disclosed herein, there were no significant acquisitions or dispositions completed or proposed by the Company since the commencement of the Company's most recently completed fiscal year ended October 31, 2017 and, other than the proposed Change of Business, management is not aware of any material changes that are expected to occur in the Company's business during the current financial year.

Save and except for management, the Company presently has no employees. Where applicable, the Company relies on independent consultants to assist management in carrying out the day to day operations of the Company.

Other than as described elsewhere in this Listing Statement, the Company is not currently aware of any trends, events or uncertainty that reasonably can be expected to have a material adverse effect on its business, financial condition or results of operations. See Item 7 "*Narrative Description of the Change of Business – Competitive Conditions and Trends*". See also Item 20 "*Risk Factors*".

7. Narrative Description of the Change of Business

The following disclosure contains forward-looking information with respect to the Company following completion of the Change of Business including with respect to the Company's stated business objectives and milestones. Such statements involve known and unknown risks, uncertainties and other factors outside of management's control, including the risk factors set out elsewhere in this Listing Statement that could cause results to differ materially from those described or anticipated in such forward-looking statements. See Item 4 "Forward-Looking Information" and Item 20 "Risk Factors" elsewhere in this Listing Statement.

Summary of Change of Business Transaction Documents

Kim Letter Agreement

On March 8, 2018, the Company and Kim entered into the Kim Letter Agreement to undertake, on an exclusive basis, the joint development of ASIC Chips to sell for the purposes of mining Bitcoin and other cryptocurrencies.

In accordance with the Kim Letter Agreement, on March 22, 2018, the Company and Kim incorporated Aracore under the BCBCA for the purposes of acting as the joint venture company to undertake the design, development and commercialization of next generation ASIC Chips in which the Company currently holds a 66.5% interest and Kim holds a 33.5% interest. The rights and obligations of the Company and Kim with respect to Aracore are governed by the terms and conditions of the Aracore Shareholder Agreement and the Kim Executor Contractor Agreement. See "*Aracore Shareholder Agreement*" below, Item 16 "Directors and Officers" and Item 18 "Executive Compensation".

Aracore Shareholder Agreement

In July 2018, the Company and Kim entered into the Aracore Shareholder Agreement setting out, inter alia, the respective rights and obligations of Squire and Kim with respect to their ownership of shares in Aracore and the day to day management and operations thereof. The Aracore Shareholders Agreement provides, among other things, that:

(1) the Aracore Board shall be comprised of four directors, which include two nominees of Squire, one nominee of Kim and one nominee of the Lead Subscriber. The current directors of Aracore are Peter Kim (President), Simon Moore (Secretary) and David Rokoss. The Lead Subscriber's nominee will be appointed as the fourth director of Aracore upon Closing of the Change of Business Financing. See Item 16 "*Directors and Officers*" below.

(2) Provided Kim owns 15% or more of the issued and outstanding shares of Aracore, the Development Plan or any material amendment thereto as it relates to the design, development and/or manufacture of ASIC Chips must be approved by a majority of the directors of Aracore including Kim;

(3) Squire shall be responsible for funding up to a maximum of US$3,000,000 in Initial Funding towards the business of Aracore including the design, development and/or manufacture of an initial ASIC Chip, provided that Kim and the Development Team are reasonably satisfying the milestones, budgets and timeframes set out in the Development Plan;

(4) At such time as Squire has provided Initial Funding of US$3,000,000 to Aracore, Squire's ownership interest in Aracore shall automatically be increased to 75% and Kim's ownership interest automatically reduced to 25%;

(5) any additional funds required by Aracore from time to time after the Initial Funding by Squire (to the extent not available from cash flow or other internal resources) shall be raised on terms mutually acceptable to Kim and Squire, acting reasonably (including, if applicable, the pro rata dilution of their respective ownership interests in Aracore), provided that Kim shall not be required to contribute, by way of shareholder's loan or otherwise, or guarantee any additional funding to or on behalf of Aracore;

(6) commencing July 1, 2018, Squire is entitled to a monthly fee from Aracore in consideration for the time and effort devoted by Squire's management and other personnel from time to time in furtherance of the business and ongoing administration of Aracore for so long as Squire owns at least 50% of the issued and outstanding shares of Aracore;

(7) Kim shall be entitled to receive the Royalty on gross revenues generated by or on behalf of Aracore from the sale of ASIC Chips equal to 1.25% until the Recovery Date, after which time the Royalty shall increase to 2.5% of gross revenues;

(8) Customary rights of first refusal in favour of existing shareholders apply to any proposed transfer of shares, other than to Affiliates and Associates (subject to certain exceptions), provided that to the extent Squire does not exercise any right of first refusal to purchase Aracore shares, such shares will be offered for sale to the Lead Subscriber;

(9) Customary pre-emptive rights in favour of existing shareholders apply to any proposed issuance of shares, provided that to the extent Squire does not exercise any pre-emptive right to purchase Aracore shares, such shares will be offered for sale to the Lead Subscriber;

(10) save and except for transfers to Affiliates or for bona fide estate planning purposes approved unanimously by the Aracore Board, Kim is not permitted to transfer any of his shares of Aracore until at least one year after Aracore's first delivery of ASIC Chips to an arm's length retail customer; and

(11) in the event of an "inactive event" affecting any shareholder, Aracore shall have the right, but not the obligation, to purchase such shareholder's shares of Aracore at the then "fair market value" thereof (as calculated and defined in the Aracore Shareholder Agreement) payable by way of a non-interest bearing, unsecured promissory note with a term of five years. An "inactive event" includes (a) the death or permanent incapacity of a shareholder; (b) the conviction of a shareholder for any criminal offence involving imprisonment or moral turpitude, theft, fraud, or other similar offence involving dishonest acts; (c) the insolvency or bankruptcy of or institution of similar proceedings involving a shareholder, whether voluntary or involuntary, (d) a breach by a shareholder of any term of the Aracore Shareholder Agreement which is not remedied within 30 days of written notice thereof by the other shareholder; and (e) a court order that the property of a shareholder (including shares of Aracore) be transferred to a spouse. In the case of an "inactive event" listed in paragraph (b) or (d) above, the "fair market value" of the affected shareholder's shares of Aracore is reduced by 50% or 25%, respectively.

The foregoing represents a summary of the Aracore Shareholder Agreement only, and is qualified in its entirety by the full text of the Aracore Shareholder Agreement, a copy of which is available for review under the Company's profile on SEDAR at www.sedar.com.

Technology Development Agreement

Effective April 1, 2018, Aracore entered into the Technology Development Agreement with the Development Company and the Contract Developers for the front-end design and development of ASIC Chips on an exclusive basis.

The Development Company is a private company based in Seoul, Korea which has engaged the Development Team (including the Contract Developers) to design and develop ASIC Chips on behalf of Aracore.

The Technology Development Agreement provides that the Development Company and the Contract Developers will design and develop ASIC Chips on behalf of Aracore on an exclusive basis pursuant to Aracore's instructions and specifications as set out in written statements of work agreed to by parties from time to time. The Technology Development Agreement is for an initial term of three years, subject to automatic renewal at Aracore's request for up to 10 additional one year terms.

In consideration for its services under the Technology Development Agreement, Aracore shall pay to the Development Company a contract fee for each project and/or work product, as the case may be, as negotiated and approved by the parties from time to time during the term, which fee shall be paid in instalments upon the satisfaction of certain deliverables and timeframes applicable to the project and/or work product. The first project under the Technology Development Agreement provides for the front-end design and development of an initial next generation ASIC Chip by the Development Company for and on behalf of Aracore. See "*Stated Business Objectives*", "*Milestones*" and "*Available Funds and Principal Purposes*" below.

The Technology Development Agreement provides that Aracore shall be the exclusive owner of all work product, deliverables and intellectual property rights in the ASIC Chips (including all confidential information relating thereto) created by the Development Company and the Contract Developers pursuant to, under or in connection with the Technology Development Agreement and the Development Company and each of the Contractor Developers has agreed to execute and deliver to Aracore, at no charge, from time to time such assignments and transfers of such work product, deliverables and intellectual property as Aracore may reasonably request. The Technology Development Agreement also includes customary confidentiality and non-competition provisions on the part of the Development Company and the Contractor Developers during the term of the Technology Development Agreement and for a fixed period thereafter.

The Technology Development Agreement may be terminated by either party in the event of a material breach by the other party which has not been remedied within 30 days after written notice thereof by the non-breaching party. In addition, Aracore may terminate the Technology Development Agreement at any time without cause upon ten (10) days written notice of termination, provided that the termination of the Technology Development Agreement for any reason shall not release either party from any existing or accrued liability or obligation to the other party.

Design Service Agreement

On July 27, 2018, the Company entered into the Design Service Agreement with the Design Service Firm to provide back-end design, testing and a mass production test run of Aracore's initial ASIC Chip. The Design Services Agreement includes standard terms and conditions for the back-end design, development, testing and mass production test run of an initial ASIC Chip in accordance with an agreed upon set of specifications and acceptance criteria and payment terms based on executed deliverables and timeframes. An upfront payment has been made to the Design Service Firm. The Company and the Design Service Firm will each retain ownership of its own intellectual property and technical information and intellectual property infringement indemnities have been provided by both parties. Due to the nature of the Company's next generation ASIC Chip, the Design Service Firm will not be providing warranties as to merchantability, fitness for a particular purpose or otherwise for the initial mass production test run of

ASIC Chips. The initial term of the Design Service Agreement is three years, with automatic rights of renewal for additional one year periods unless either party gives notice of non-renewal to the other party at least three months prior to the end of the initial term or any renewal term. The Design Service Agreement also includes standard termination provisions for breaches or other events of default, subject to any existing payment obligations at the time of termination. The cost of the Design Service Agreement will be funded out of the net proceeds of the Change of Business Financing. See "*Available Funds and Principal Purposes*" below. See also "*Stated Business Objectives*" and "*Milestones*" below.

Financing Subscription Agreement

In order to fund the Change of Business and the development and manufacture of the Company's initial ASIC Chip and Mining Rig, the Company has negotiated a non-binding term sheet to raise, subject to conditions, $25,500,000 pursuant to the Change of Business Financing. The Change of Business Financing consists of a non-brokered private placement of 63,750,000 Financing Units at a price of $0.40 per Financing Unit for gross proceeds of C$25,500,000. Each Financing Unit will consist of one Financing Share and one-half (1/2) of one Financing Warrant, with each whole Financing Warrant entitling the holder to purchase an additional Financing Warrant Share at a price of $0.80 for a period of two years after Closing.

The Change of Business Financing is subject to a number of conditions including, but not limited to, the completion of satisfactory due diligence, the appointment of one nominee of the Lead Subscriber to each of the Board, the Aracore Board and the board of directors of any other material subsidiary or joint venture company of the Company for the greater of (a) three years after the Closing, or (b) for so long as the Lead Subscriber owns 10% or more of the issued and outstanding shares of the Company from time to time, the execution and delivery of definitive agreements for the manufacture and assembly of Mining Rigs with certain third parties on acceptable terms and regulatory approval for the Change of Business. It is also a term of the Change of Business Financing that each Subscriber shall have the right to participate, on a pro rata basis, in any future private placement or public financing of equity or convertible debt securities of the Company or any material subsidiary or joint venture company of the Company for the greater of (a) three years after the Closing, or (b) for so long as such Subscriber owns 10% or more of the issued and outstanding shares of the Company from time to time.

The Change of Business Financing is also conditional upon the Company entering into the Distributor Agreement with the Distributor for the marketing, sale and distribution of the Company's ASIC chips and Mining Rigs on a worldwide basis. See "*Distributor Agreement*" below.

It is expected that a formal Financing Subscription Agreement containing, inter alia, the above-noted terms and conditions will be entered into between the Company and the Lead Subscriber on or before Closing of the Change of Business Financing. Additional subscription agreements between the Company and other Subscribers to the Change of Business Financing will also be entered into prior to Closing.

The net proceeds from the Change of Business Financing will be used to fund, inter alia, the Company's Change of Business and Development Plan including, but not limited to, the design, development and manufacture of next generation ASIC Chips and Mining Rigs to mine bitcoin and the costs of the Change of Business. See "*Available Funds and Principal Purposes*" below. The Company has also agreed to pay the Subscribers' reasonable expenses incurred in connection with the Change of Business Financing.

The Company has agreed to a pay finder's fee to an arm's length third party, Fairway Global Investment Inc., in connection with the Change of Business Financing in an amount equal to 1.5% of the gross proceeds raised under such financing, which fee shall be payable in full through the issuance of a total of 956,250 Financing Units.

Distributor Agreement

The Company has entered into a non-binding term sheet with the Distributor pursuant to which the Distributor will act as the Company's exclusive distributor of ASIC Chips and Mining Rights on a worldwide basis (the "**Territory**"). The term sheet provides that the Distributor shall have the exclusive right to market, promote, solicit, sell and distribute the Company's products within the Territory, subject to certain minimum purchase requirements. The Distributor will also be entitled to appoint sub-distributors, resellers and agents (collectively "**Sub-Distributors**") on mutually agreed upon terms and conditions, provided that the Distributor shall be responsible for any direct damages arising from uncured material breaches by its Sub-Distributors, subject to certain limits. Any fees payable by Sub-Distributors to the Distributor for the granting of rights shall be shared between the Distributor and the Company. The term sheet also includes proposed pricing and payment terms between the Company and the Distributor as well as profit sharing on revenues generated from retail sales of ASIC Chips and Mining Rigs. The Company will be responsible for payment of the Royalty to Kim. Standard product warranties will be provided by the Company. The Distributor Agreement will be for an initial term of three years, extendable to five years on satisfaction of certain performance criteria, with automatic rights of renewal thereafter, subject to conditions. The Distributor Agreement will also contain confidentiality and non-competition provisions on the part of the Distributor and customary termination provisions for material breach, insolvency and other events of default. It is a condition precedent to Closing of the Change of Business Financing that the Company enter into the Distributor Agreement with the Distributor.

Overview of Market

Industry Background

Crypto market overview

A cryptoasset is a digital asset designed to work as a medium of value exchange that uses cryptography to secure transactions, control the creation of additional units, and verify the transfer of assets.

A cryptocurrency (such as Bitcoin Core or Bitcoin Cash) is a type of cryptoasset designed as a digital currency or form of digital cash in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds in a decentralized system independent of a central bank or single administrator. Other types of cryptoassets include platform tokens/cryptocommodities, stable coins, utility tokens and transactional tokens.

Based on the specific use case, cryptoassets may use decentralized or centralized controls. Many decentralized control mechanisms work through distributed ledger technology (also called blockchain technology) that serve as a fully open-source public transaction database.

Bitcoin Core, or BTC, released as open-source software in 2009 is generally acknowledged as the first widely adopted cryptocurrency. The initial exchange rate (recorded on October 5, 2009) for Bitcoin Core was 1 BTC = US$0.000764. Due to its first mover advantage, Bitcoin Core continues to be the highest value cryptocurrency or cryptoasset in terms of market capitalization and price. As of July 22, 2018, the trading price of one Bitcoin Core was US$7,418 with a total market capitalization of approximately US$127.5 billion (source: www.coinmarketcap.com).

Today, there are over 1,600 different coins or tokens which vary based on functionality, underlying algorithms and popularity with a total market capitalization of approximately US$298 billion as of July 22, 2018 (source: www.coinmarketcap.com). Some of the largest cryptoassets in terms of market capitalization today include Bitcoin Core, Ethereum, XRP, Bitcoin Cash, EOS and Litecoin.

Blockchain innovation and growth

Blockchain is frequently described as a distributed ledger or database characterized by decentralized control. Unlike in a traditional model where the master ledger is controlled by a central intermediary (i.e. bank or other trusted authority), in the blockchain model, the master ledger is decentralized (i.e. it is not stored in one place or controlled by any single entity) and each counterparty on the network receives an identical copy of the ledger in real time. Cryptography is used to make the data in the ledger tamper-proof.

Thus, network counterparties are able to scrutinize the state of the ledger in real time and, due to its immutable nature, rely on the accuracy of the ledger without the need for a trusted intermediary (i.e. bank or other central authority) to authenticate the data reflected in the ledger.

In a blockchain, transactions and other information are stored in digital "blocks". As each new block of validated transactions is created, it is linked or added to the previous block in the chain thereby creating a chronological chain of blocks showing every transaction made in the history of that blockchain. As the entire chain is constantly being updated with each member of the network receiving the same ledger in real time, any member within the blockchain is able to verify ownership at any given time.

Blockchain technology is, however, differentiated from the cryptocurrencies or cryptoassets that are created, traded and stored on the blockchain. "Tokens" or "coins" are cryptoassets that are traded directly, peer-to-peer between participants in the network. The blockchain is the decentralized ledger that provides an immutable record of ownership of the cryptoassets and all previous transactions involving such assets. Thus, a key source of value derived from blockchain technology is its ability to safely store data and distribute information in a decentralised manner; thereby ensuring systemic security and offering immutability (i.e. a system of provable trust that can be relied on for transactions that intrinsically contain value.).

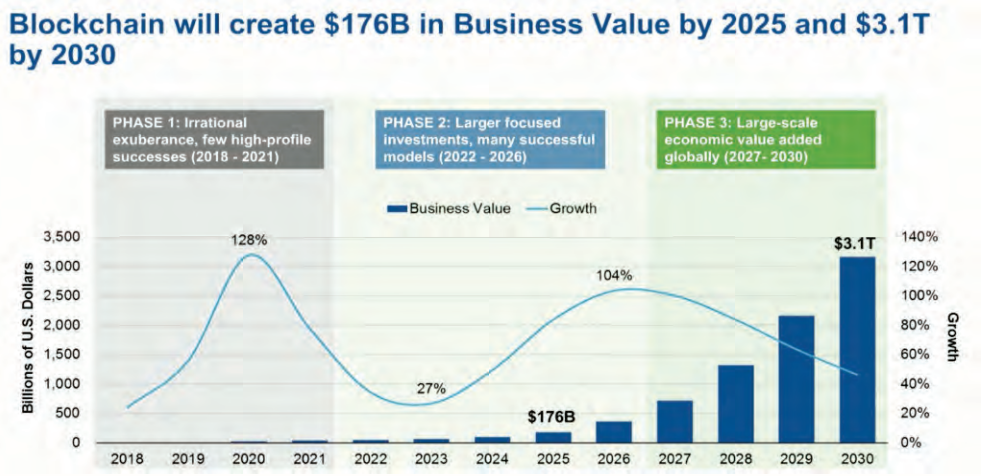
Initially, tokens were created with a view to replacing fiat currencies (i.e. US dollars, Euros or other central bank currencies). The first and most well known token to successfully incorporate blockchain technology is bitcoin.

However, as the blockchain technology continues to develop, cryptoassets are being created for different uses (including in many areas of business, finance, information management and governance) and with additional features which enable holders to perform certain functions or access a particular service. For example, the Ethereum network allows participants to build and run their own smart contracts on its underlying blockchain protocol without building their own network or ecosystem. Anyone can develop a decentralized application (Dapp) on Ethereum so long as they purchase some tokens or "ether" to run as gas to execute these smart contracts. Thus, ether has both an inherent "use" value, as well as being able to be utilized as a digital currency.

Most blockchains today are public (such as Bitcoin Core and Bitcoin Cash) and are generally open-source and available to the public although counterparties to transactions are unknown. A token or coin is generally required as an incentive to encourage more participants to join the network.

However, other forms of blockchain exist including private blockchains which require permission from a central authority to access and operate under the guise of a centralised organisation (for example Hyperledger, R3 etc.). The entry control procedures can vary from giving existing participants power to nominate future entrants to having a predetermined set of steps a user must complete for their access rights. A token or coin is not required to incentivize participants as counterparties to a private blockchain share a common interest for trust. Thus, while private blockchains may be viewed as more efficient in terms of scalability and compliance with regulatory requirements they are more vulnerable to network manipulation due to the centralised governance.

While still in its early stages, the potential implications for blockchain technology are vast as large numbers of established businesses reliant on the existence of a central, trusted authority have the potential to become decentralized through blockchain applications. Gartner predicts that blockchain will create approximately $176 billion in business value by 2025, and $3.1 trillion by 2030 (Gartner, 2017). This forecasted growth is a direct result of the general consensus that bitcoin's ledger technology is the most proven and stable in the sector.



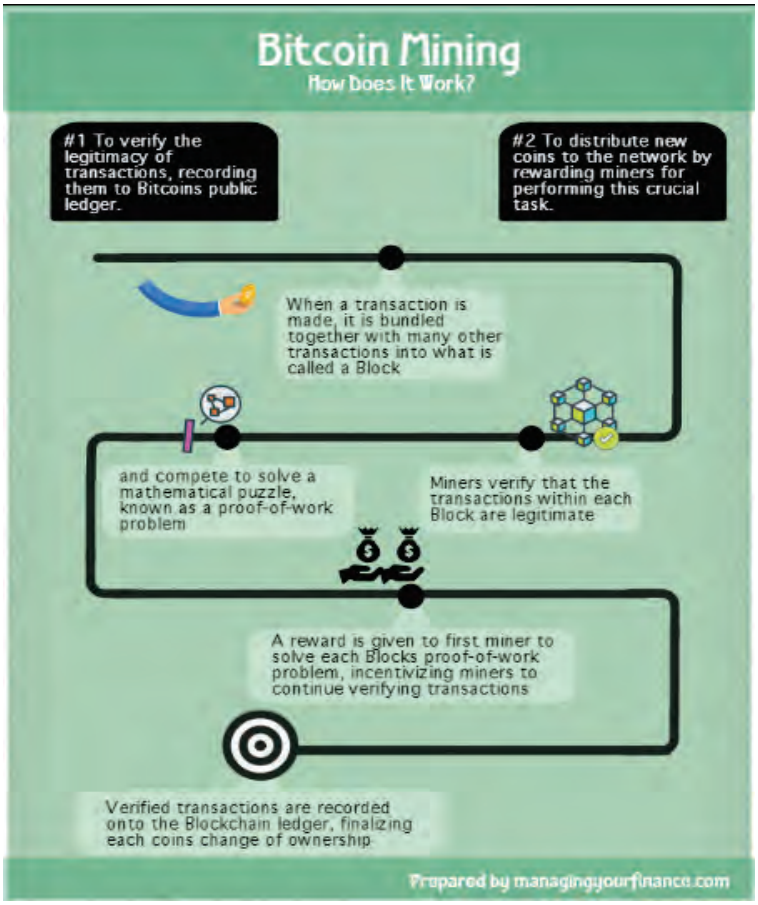
Cryptomining – Why and how it's done

Cryptomining is the process by which transactions are verified and added to the public ledger or blockchain, and also the means through which new cryptoassets are released.

To begin mining, a network participant or "miner" must download and run the blockchain software and protocols for the particular cryptoasset thereby converting the miner's computer into a "node" on the network. Every peer or "miner" on the network has its own copy of the ledger or blockchain including every historical cryptoasset transaction and effectively a record of all account balances. Each account is identified solely by its unique cryptographically generated public key, and is secured with its associated private or secret key (i.e. password). This combination of private and public cryptographic keys creates a secure digital identity in the form of a digital signature, providing strong control mechanism and undisputable proof of ownership.

The mining process involves compiling recent transactions on the blockchain into blocks and trying to solve computationally difficult algorithmically defined mathematical puzzles. This intrinsic computational difficulty defines the term, "proof of work", whereby the end result could not have arisen without expenditure of energy in the form of computational power, or work. Miners on the network compete to validate the blocks being added to the blockchain with each unique block of data only capable of being validated by one miner; the winner earning the right to record the next block on the blockchain and receive the mining incentive or "reward". When a new block of transactions is created, data from that block is used to create a "hash" that is stored along with the block. Each block's hash is created using the hash of the block before it thereby confirming the validity of the new block and all earlier blocks. The miner who first solves the mathematical puzzle gets to create and then add the next block on the blockchain and claim the reward. Typically, the reward is in the form of transaction fees associated with the transactions compiled in the block as well as newly released cryptoasset. The rewards serve to incentivize the "mining" which is critical to the continuing function and security of the cryptoasset network. Once the winner is determined, the new block must be verified by a majority of nodes on the network before the reward is delivered to the winner. Thus, if an alteration is made to an earlier block, the hashes of all subsequent blocks would be invalid and the discrepancy easily detected by other nodes in the network resulting in the rejection of the "altered" block. In this manner, miners "vote" with their computing power, expressing their acceptance of valid blocks by working on extending them and rejecting invalid blocks by refusing to work on them. Therefore, the longest blockchain represents the consensus of the majority and acts as an advancing public ledger of verified transactions. This is an essential function for the blockchain technology as it enables the cryptoasset to be safely and predictably created without regulation in the form of a centralized, trusted intermediary such as a bank or federal government.

The following diagram illustrates the general process for mining bitcoin.



Blockchain security is ensured by a number of different protocols such as proof-of-work and proof-of-stake. Proof-of-work is currently the most widely used, including by cryptocurrencies such as Bitcoin Core, Bitcoin Cash and Ethereum. Proof-of-work functions on the basis of a distributed consensus system dependent on the participation of miners or nodes who through their computing work verify the blockchain transactions. Blocks must be validated by a proof-of-work (bitcoin uses Hashcash), which can only be obtained by using a great deal of computer processing power and electricity to run the hashing algorithm in order to claim the reward.

Therefore, in order to run effectively, a blockchain network must properly incentivize its miners to expend the processing power and electricity (as well as the capital to purchase the mining rigs necessary to run the hashing algorithm) to continually update and verify the true state of the digital ledger. These expenditures also serve as a deterrent against bad actors attempting to defraud or undermine the veracity of the blockchain. Once a block is obtained a message is broadcast to the mining network and verified by a majority of nodes. The difficulty of future puzzles is automatically adjusted so that a new block is mined on a specified basis, adapting as the total mining power active on the network increases or decreases over time.

Unlike interbank transactions involving fiat currencies which can potentially take days to clear and settle (especially outside regular banking hours), blockchain technology has the potential to enable market participants to make and verify transactions on a network instantaneously on a 24/7 basis thereby reducing transaction times to minutes. In addition, since cryptocurrencies are completely digital, they can be used as the digital equivalent of cash in ways that ordinary currencies cannot, and offer numerous potential advantages over traditional currency including immediate settlement, lower or zero transaction fees, no counterfeiting issues (as cryptocurrencies are digital currencies), no need for a trusted intermediary (i.e. bank), the elimination of counterparty risk, available to everyone (unlike credit or debit cards which are issued by banks, consumers don't need an account or good credit to use digital

currencies), prevention of identity theft, decentralized, no government imposed exchange rates, and recognized universally.

Bitcoin Core and Bitcoin Cash

As previously mentioned, there are many different types of cryptoassets and cryptocurrencies in existence today based on functionality, underlying algorithms, and popularity. Some of the largest cryptocurrencies in terms of market capitalization today include Bitcoin Core, Ethereum, XRP, Bitcoin Cash and EOS as noted in the table below.

Cryptocurrency	**Market Capitalization** [(1)]	**Percentage of Market** [(1)]
Bitcoin Core	$127.5 billion	42.9%
Ethereum	$46.8 billion	15.7%
XRP	$17.8 billion	6.0%
Bitcoin Cash	$13.6 billion	4.6%
EOS	$7.2 billion	2.4%
Others	$84.6 billion	28.4%
TOTAL	**$297.5 billion**	**100%**

(1) These figures have been rounded to the nearest single decimal place.

Source: www.coinmarketcap.com (as at July 22, 2018).

Bitcoin or Bitcoin Core

Bitcoin Core or BTC, the original bitcoin cryptocurrency and largest cryptoasset globally by market capitalization, is an open source project, which currently uses the proof-of-work block validation model. Under the network, the number of Bitcoin Core coins ("**BTC Coins**") is mathematically controlled such that the supply and number of coins in existence grows at a pre-set schedule until the total number of BTC Coins in existence reaches the pre-determined maximum of 21 million BTC Coins. The number of BTC Coins awarded to miners for solving a new block automatically halves each time 210,000 blocks are added to the blockchain. Currently, the reward for solving a new block is fixed at 12.5 BTC Coins per block and is expected to reduce to 6.25 BTC Coins per block in June 2020, the estimated date by which the next 210,000 blocks will have entered the Bitcoin Core network. The difficulty of the Bitcoin Core network's hashing algorithm (i.e. the amount of computing power required to mine blocks) is automatically adjusted every two weeks with the target of creating a new block every 10 minutes. Thus, as more or less computing power is applied by miners to solving the cryptographic puzzle to mine new blocks, the difficulty of the hashing algorithm increases or decreases correspondingly.

As of July 22, 2018, approximately 17.17 million BTC Coins had been mined (source: *www.coinmarketcap.com*), and estimates of when the 21 million BTC Coins limitation will be reached range from 2136 to 2140.

As of July 22, 2018, the trading price of one Bitcoin Core coin was US$7,418 with a total market capitalization of approximately US$127.5 billion (source: www.coinmarketcap.com).

The following chart illustrates Bitcoin Core's price performance since January 1, 2017.

Bitcoin Core Price Performance Since August 2017 *(US$)*:

Source: https://coinmarketcap.com/currencies/bitcoin/#charts

Bitcoin Cash

Similar to Bitcoin Core, Bitcoin Cash is a blockchain protocol intended to serve as a digital substitute for fiat currencies to facilitate digital trust-less payment transactions. Bitcoin Cash was created by way of a fork from the bitcoin blockchain network on August 1, 2017 as an alternative and separate form of bitcoin cryptocurrency with upgraded consensus rules and faster processing times to enable a larger number of transactions to be processed in a shorter period of time and with generally lower transaction fees.

Since its creation in August 2017, Bitcoin Cash has enjoyed rapid acceptance by investors and is presently the fourth largest cryptocurrency by market capitalization behind Bitcoin Core, Ethereum and XRP (source: www.coinmarketcap.com). As at July 22, 2018, Bitcoin Cash was valued at US$789, with a market capitalization of approximately US$13.6 billion (source: www.coinmarketcap.com). A summary of Bitcoin Cash's trading price since August 1, 2017 is shown in the following chart.

Bitcoin Cash Price Performance Since August 1, 2017 *(US$)*:

Source: https://coinmarketcap.com/currencies/bitcoin-cash/#charts

The Mining Industry

The following chart provides a general overview of the cryptoasset mining value chain.

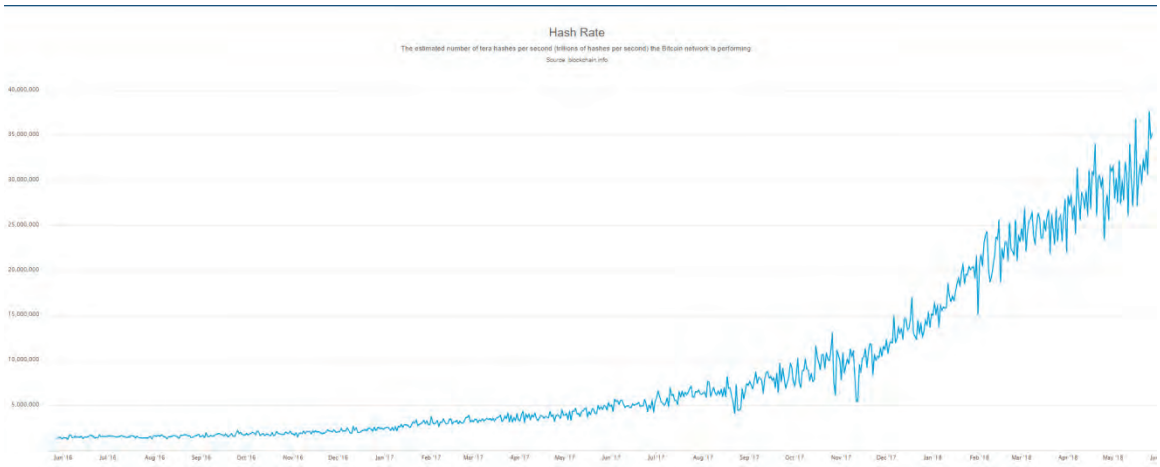
Note: Initially, the Company's operations will focus on developing and manufacturing next generation ASIC Chips and Mining Rigs (box 1) for Bitcoin Core and Bitcoin Cash.

In the earliest days of bitcoin, mining was done with central processing units (CPUs) from normal desktop computers. Graphics cards, or graphics processing units (GPUs), are more effective at mining than CPUs and as bitcoin gained popularity, GPUs became dominant. Eventually, hardware known as an ASIC, which stands for Application-Specific Integrated Circuit, was designed specifically for mining cryptoassets and provided miners with significantly more processing power and lower energy costs than GPUs. However, ASICs can only be used to mine a single type of hashing algorithm (for instance, ASICs designed to run bitcoin's hashing algorithm cannot be used to run Litecoin's scrypt algorithm). The first ASICs were released in 2013 and have been improved upon since, with more efficient and faster designs coming to market. However, today, the cost of energy consumption using CPUs, GPUs, or even the older ASICs to mine bitcoin and other cryptoassets is often greater than the revenue generated. See the Hash Rate charts below.

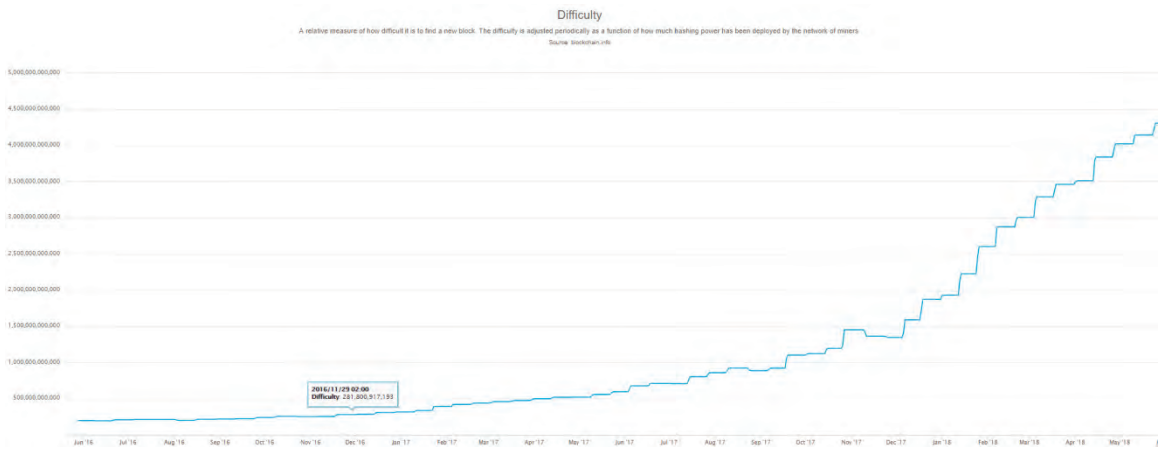
As a result, most "mining" of the largest blockchain networks (i.e. Bitcoin Core, Ethereum, XRP and Bitcoin Cash) today is done through mining pools in which large groups of powerful miners combine their forces to improve their collective hashing power and then split the proceeds according to the hashing power provided, net the pool operator fees. Mining pools allow miners to pool their resources so they can generate blocks quickly and receive rewards on a consistent basis instead of mining alone where rewards may not be received for long periods.

However, as crypto mining increases in popularity with the price and demand for cryptoassets so does the number of miners entering a blockchain's network. As more miners enter a blockchain network thereby increasing the total amount of hashing power being deployed by the network miners, the puzzles for solving each new block in the blockchain become more complex and difficult and require more processing time to solve, thereby creating the demand for ever faster and more efficient data mining infrastructure and system technology (including ASIC Chips and Mining Rigs) to support and facilitate mining operations. See "*Data Mining Infrastructure and System Technology"* below.

The following charts illustrate the (1) estimated hash rate deployed and (2) relative difficulty in finding a new block in the Bitcoin Core network over the period June 2016 to May 2018.



Mining difficulty increase over time



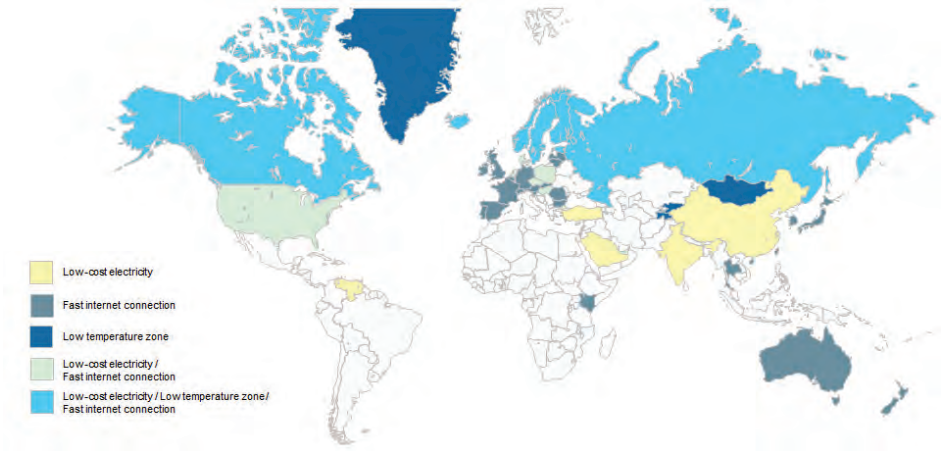
Source: https://www.blockchain.com/en/charts

Mining is competitive and today bitcoin mining can only be done profitably with the latest ASICs.

In recent years, crypto mining has evolved from a hobby performed by technology enthusiasts at home to a global, capital-intensive industry using custom hardware equipment and features a specialized value chain.

Sample picture of a large crypto mining facility with hundreds of mining rigs operating side by side

In addition, mining facilities are becoming increasingly concentrated in locations where access to low-cost electricity, sufficiently fast internet, and cool temperatures for keeping mining equipment cooling costs low are available. Currently, cryptocurrency mining operations are generally located in North America, Northern and Eastern Europe, and China.



Source: University of Cambridge - Global Cryptocurrency Benchmarking Study (2017)

Stated Business Objectives

Following the Change of Business, the Company's mission is to become a leading developer, manufacturer and seller of data mining infrastructure and system technology to support global blockchain applications in the cryptoasset mining space including ASIC Chips and Mining Rigs. Initially, the Company intends to focus on developing ASIC Chips and Mining Rigs specifically to mine Bitcoin Core and Bitcoin Cash; however, the Company will seek to expand its products in the future to mine other cryptoassets. See "*Future Products*" below.

During the ensuing 12 month period, the Company expects to:

- complete the design, development and testing of a next generation ASIC Chip (the "**Next General Chip**") and initial Mining Rig incorporating the Next Generation Chip (the "**Next Generation Rig**") to mine bitcoin.

- manufacture and sell sufficient quantities of Next Generation Chips and Next Generation Rigs to achieve positive cash flow and establish a reputation within the cryptocurrency industry as a new and up and coming developer, manufacturer and seller of next generation ASIC Chips and Mining Rigs for bitcoin.

- continue to research and develop one or more subsequent generations of improved ASIC Chips ("**Subsequent Generation Chips**") and build the corresponding Mining Rigs utilizing the Subsequent Generation Chips ("**Subsequent Generation Rigs**") to mine bitcoin.

The above objectives may change at any time depending on market conditions. See Item 20 "*Risk Factors*".

Milestones

To accomplish the Company's stated business objectives for the ensuing 12 months, it is anticipated that, upon Closing of the Change of Business Financing, the Company will need to accomplish the following milestones:

1. Complete Front-End Design and Development of Next Generation Chip: Complete the front-end design, development and testing of the Next Generation Chip pursuant to the terms of the Technology Development Agreement with the Development Company. This milestone is expected to be completed in the third quarter of 2018. See "*Summary of Change of Business Transaction Documents – Technology Development Agreement*" above.

2. Complete Back-End Design, Testing and Manufacture of Next Generation Chip: Fund the Design Service Agreement with the Design Service Firm for the back-end design, development and testing of the Next Generation Chip and manufacture of an initial mass production run of wafers of Next Generation Chips. The Company expects this milestone to be completed in the fourth quarter of 2018.

   The Company has allocated a total of US$6,150,000 from the Available Funds towards the completion of milestones 1 and 2 above. See "*Available Funds and Principal Purposes*" below.

3. Design Next Generation Rig: Complete the design, development and testing of the Next Generation Rig. This milestone is expected to be completed in the fourth quarter of 2018.

4. Secure Steady Supply of Components and Assembly Agreement for Next Generation Rigs: Secure reliable supply arrangements for the balance of components comprising the Next Generation Rig including, but not limited to, mother boards, power units, fans, housing units, etc. and enter into an assembly agreement with an established third party with the necessary expertise and capacity to assemble and build the Next Generation Rigs in sufficient quantities to meet the Company's estimated demand from time to time. The Company expects this milestone to be completed by the third quarter of 2018.

5. Manufacture and Assemble Pilot Production Run of Next Generation Rigs: Complete the manufacture and assembly of a pilot production run of Next Generation Rigs. The Company expects this milestone to be completed by end of fourth quarter of 2018.

   The Company has allocated a total of US$2,400,000 towards the completion of milestones 3, 4 and 5 above. See "*Available Funds and Principal Purposes*" below.

6. Secure Marketing and Sales Distribution Network: Enter into the Distributor Agreement with the Distributor for the marketing, sale and distribution of the Company's ASIC Chips and Mining Rigs on a worldwide basis. This milestone is expected to be completed concurrently with the Closing of the Change of Business Financing, the cost of which will form part of the estimated balance of costs of issue. See "*Summary of Change of Business Transaction Documents – Distributor Agreement*" above and "*Available Funds and Principal Purposes*" below.

7. Establish Market Presence and Support Network for Warranty Claims: Establish market presence within the bitcoin mining industry through the marketing and sales distribution network to build the Company's reputation as a new and innovative supplier of high quality, next generation ASIC Chips and Mining Rigs for bitcoin. This market presence will assist the Company in gaining access to technological advancements, industry news and current competitors with a view to identifying future potential acquisition/joint venture opportunities, including new products and technologies that may complement the Company's business.

   The Company will also seek to establish, either directly or indirectly through a reputable third party, a network of support centres in key jurisdictions to support the anticipated volume of warranty claims in an efficient and cost effective manner.

   The Company has allocated US$500,000 from the Available Funds over the ensuing 12 months to establish market presence and a support network for warranty claims. See "*Available Funds and Principal Purposes*" below.

8. Develop Subsequent Generation Chips and Subsequent Generation Rigs: Devote sufficient management resources and funds towards the research and development of one or more Subsequent Generation Chips and corresponding Subsequent Generation Rigs to maintain competitive advantage in the marketplace and build upon the Company's reputation as a new and innovative leader in developing next generation ASIC Chips and Mining Rigs for bitcoin.

The Company has allocated a total of US$8,000,000 from the Available Funds towards the design, development, testing and manufacture of Subsequent Generation Chips and Subsequent Generation Rigs for completion in 2019. See "*Available Funds and Principal Purposes*" below.

The foregoing milestones may change based on market conditions and the Company's available resources from time to time. See "Available Funds and Principal Purposes" below and Item 20 "*Risk Factors*".

Data Mining Infrastructure and System Technology

ASIC Chips

The global Chip market is currently estimated to be in excess of US$120 billion per year, of which ASIC Chips for mining bitcoin currently represent only a small, but rapidly growing segment. According to iResearch, global sales of bitcoin ASIC mining rigs totalled approximately US$1.3 billion in 2017.

TSMC

Taiwanese Taiwan Semiconductor Manufacturing Co. ("**TSMC**") is the world's largest dedicated independent (pure-play) semiconductor foundry with revenues of approximately US$32.8 billion in 2017 (*source:* TSMC 2017 Annual report**)**. Unlike, for example, Intel, which manufacturers and sell its own chips, TSMC is a "foundry" which makes Chips for designers without their own manufacturing factories or "fabs", which are very capital intensive and expensive to build and maintain. In 2017, TSMC controlled approximately 56% of the global foundry market, according to Trendforce.

TSMC is also the world's leading manufacturer of ASIC Chips for bitcoin mining supplying both Bitmain and Canaan Creative, currently the two largest manufacturers of bitcoin Mining Rights (see "*ASIC Mining Rigs*" below), as well as a number of other rig manufacturers. In 2017, TSMC's revenues from crypto mining customers and rig manufacturers was approximately US$900 million (*source: CNBC.Com, April 19, 2018*) including mining rig leaders such as Bitmain, Canaan Creative and GMO Internet.

TSMC is also a leader in the development of next generation ASIC Chips in smaller nanometer sizes.

Bitfury

Bitfury is one of the pioneers in ASIC Chips and rigs/containers. The latest ASIC Chips from Bitfury are 16nm technology and used in Bitmain's "S9 Antminers" mining rig. Bitfury also has very strong proprietary global bitcoin mining operations mining directly and with partners.

Others

Samsung Electronics is a global powerhouse in the semiconductor business but a relative newcomer (compared to TSMC) in the foundry industry, having only established its foundry business in 2005.

Other major semiconductor companies such as Intel and Global Foundries do not currently produce ASIC Chips for mining bitcoin and concentrate mostly on PC, mobile, automotive and other applications. See Item 20 "*Risk Factors – Company Risks*".

ASIC Mining Rigs

There are currently dozens of ASIC mining rig manufacturers in the world, but only few of them have global market share.

Bitmain

China-based Bitmain is the market dominant manufacturer of ASIC Mining Rigs controlling an estimated 70% to 80% of the current global market for ASIC rigs (*source:* Bernstein Research as quoted in fortune.com at http://fortune.com/2018/02/24/bitcoin-mining-bitmain-profits/). Bitmain is also a global heavyweight in the ASIC mining space operating some of the world's biggest mining pools. Their latest published ASIC Chip is the BM1387, which is 16nm technology; however, Bitmain is no doubt working on an improved model in smaller nm technology. In addition, Bitmain has recently announced that it is expanding into AI (artificial intelligence) hardware.

Bitmain uses TSMC and Bitfury chips.

Canaan Creative

Another Chinese player, Beijing based Canaan Creative sells its popular Avalon mining rigs and is the world's second largest maker of bitcoin mining rigs. Canaan Creative has recently announced plans to go public in Hong Kong and is reportedly seeking to raise up to $1 billion in what is expected to be the world's biggest crypto-related initial public offering ever. According to Canaan's filing, the company sold a total of 294,523 Avalon mining rigs in 2017 (tripling the number from the year before) with the United States and Sweden being its biggest overseas markets. In 2017, Avalon mining machines were responsible for 19.5% of the world's processing power for mining bitcoin, the filing said, citing a report from research firm Frost & Sullivan. (*Source:* https://qz.com/1279152/chinese-bitcoin-mining-equipment-maker-canaan-creative-is-seeking-to-raise-up-to-1-billion-in-a-hong-kong-ipo/).

Canaan uses TSMC chips.

Ebang communication

Ebang Communication, one of the largest bitcoin mining chip makers in China (after Bitmain and Canaan Creative) also announced plans in June 2018 to go public on the Hong Kong stock exchange. Founded in 2010 as a manufacturer of hardware products for the telecommunications industry, Ebang later moved into the cryptocurrency mining business by launching its own Ebit miners in 2016. Based on a financial statement included as part of the IPO filing, Ebang raised 925 million yuan (US$141 million) in revenue in 2017 (marking a 17x year-on-year growth compared to 2016), of which 94.6% was generated from the sale of bitcoin miners up from 31% and 42% in 2015 and 2016, respectively. (*Source:* https://www.coindesk.com/another-bitcoin-miner-maker-seeks-to-go-public-in-hong-kong/)

Ebang uses TSMC chips.

Bitfury

As with ASIC Chips, Bitfury is one of the pioneers in building ASIC Mining Rigs and some of the largest mining farms around the world including partnering with regional strong players such as Hut 8 Mining Corp. (TSX: HUT) in North America. However, rather than sell its Mining Rigs separately, Bitfury concentrates on selling self-contained data centers called Blockboxes which may include up to 100,000 ASIC Chips each.

Bitfury has its own ASIC Chips.

Others

There are many other local or very small players in the ASIC mining market as well as GPU card manufacturers such as Nvidia and AMD. While GPU cards are no longer commercially viable for bitcoin mining, many other cryptoassets can still be mined with them.

Bitcoin Mining Parameters

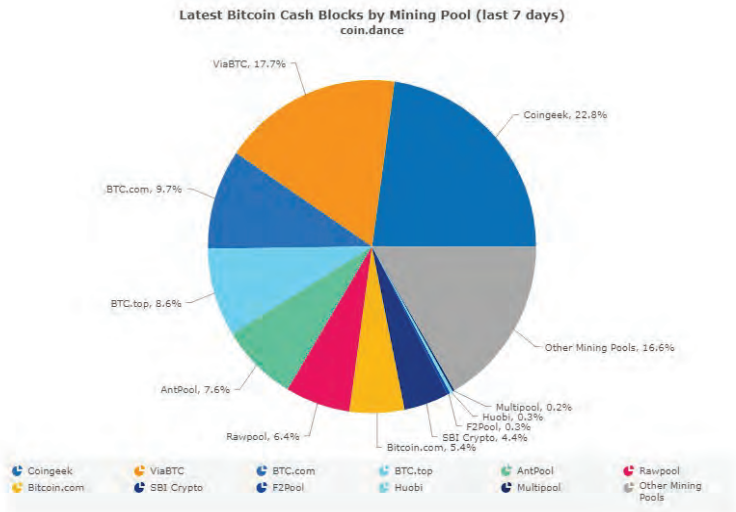
The main bitcoin mining parameters that define the profitability of a bitcoin mining operation are:

1. Hashrate – miner performance in MH/s, GH/s, TH/s, PH/s (higher the better)
2. Bitcoin Core coins per block – block rewards now 12.5 BTC coin/block (2020 next change, halving to 6.25 BTC coin /block)
3. Bitcoin difficulty – the more miners hashing, the higher the difficulty (more competition with the calculations)
4. Electricity rate – major expense
5. Power consumption (miner itself, cooling etc.)
6. Pool fees – platform for miners common mining, charges left
7. Time frame – the longer you mine, the more you earn
8. Profitability – declines per year as more miners join
9. Other – mining facility costs, labour, mining rigs, power units, mother boards etc.

Company's Strategy

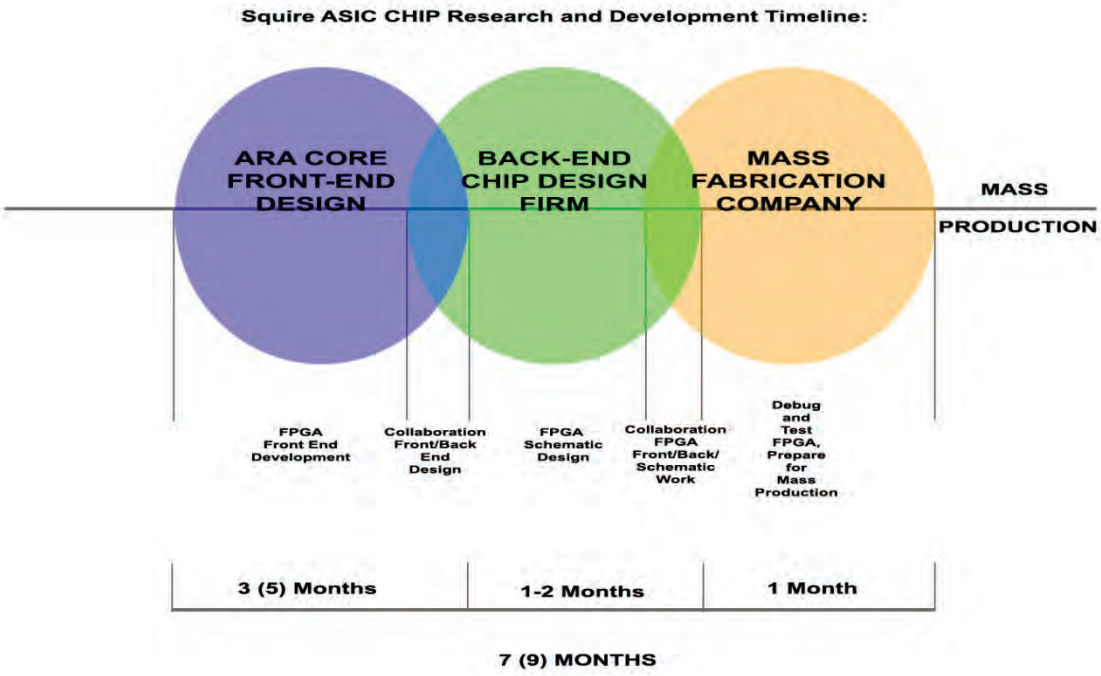
As bitcoin has grown in popularity and demand and mining operations have become increasingly global and capital intensive, the demand for new rigs to mine bitcoin, from both new and existing miners, has increased dramatically. With increased demand, there has also been an increase in wait times for customers who order significant volumes of Mining Rigs (up to 4 months or more). Additionally, given the oligopolistic nature of the current market, buyers of Mining Rigs are often required to pay upfront or post large deposits despite scheduled delivery dates being months away. This dynamic creates opportunities for new market entrants. To this end, the Company is designing its Next Generation Chip and Next Generation Rig with a view to providing significantly improved computing capacity (i.e. hash power) and lower energy costs for mining bitcoin over the current competition (i.e. Bitmain's Antminer S9, which uses 16 nm technology).

Although market share statistics for miners is not generally available due to the fragmented and relative infancy of the bitcoin market, the Company expects the target market for its Next Generation Chips and New Generation Rigs will include both new miners seeking to enter into the bitcoin mining industry as well as existing miners and mining pools seeking to replace outdated and burned out rigs. Management estimates that a typical mining facility will need to replace its Mining Rigs every 18 months to 2 years as existing rigs burn out due to, inter alia, overclocking and/or become out-dated. The following chart shows the largest mining pools by Bitcoin Cash blocks on and about July 31, 2018 (*source:* https://cash.coin.dance/blocks/thisweek).



In addition, the Company believes that its strong personal relationships with certain key executives within the chip manufacturing industry will enable Aracore to establish common design and development procedures for not just its initial Next Generation Chip, but also for future Subsequent Generation Chips and potentially other technologies and products.

The Company's basic planned development procedure is illustrated in the following timeline.



Future Products

The Company is in the process of developing a next generation ASIC Chip for mining bitcoin with a view to completing all design, development and testing thereof by the end of third quarter of 2018 and an initial mass production run of Next Generation Chips during the fourth quarter of 2018.

The Company also plans to incorporate the Next Generation Chip into its Next Generation Rig which is anticipated to be available for purchase to mine bitcoin by fourth quarter of 2018. The Next Generation Rig is being designed with a projected hash rate 40% faster while utilizing 49% less power than the leading Mining Rig currently available on the market today. See Item 20 "*Risk Factors – Company Risks*".

The Company will also seek to stay at the forefront of technical development with its strategic partners to develop and manufacture subsequent generations of faster and improved ASIC Chips and Mining Rigs for mining bitcoin and other cryptoassets as new technology and processes permit and opportunities arise.

Available Funds and Principal Purposes

Available Funds

The following table sets forth the total funds expected to be available to the Company (the "**Available Funds**") to fund its stated business objectives as at June 30, 2018 after giving effect to the Change of Business Financing:

	Offering
Working capital as at June 30, 2018 (1) (2)	$2,840,226 – unaudited
Net proceeds of Change of Business Financing (3)	$25,175,000
Total Available Funds	$28,015,226

(1) Working capital means total current assets less total current liabilities.

(2) See Item 6 "*General Development of the Business – Recent Financings*" for details of the Company's recent private placement financings.

(3) After giving effect to the balance of costs of issue estimated at $325,000. A finder's fee of 1.5% of the gross proceeds raised under the Change of Business Financing will be payable to an arm's length third party, which fee will be satisfied in full through the issuance of 956,250 Financing Units. See "*Summary of Change of Business Transaction Documents – Financing Subscription Agreement*" above.

Principal Purposes

The Company intends to use the Available Funds as at June 30, 2018 to fund, inter alia, the design, development and manufacture of its Next Generation Chip and Next Generation Rig, ongoing research and development and related general and administrative expenses and working capital expenditures as more particularly set out below:

Description	**Offering C$** (1) (2)
Fund balance of design, development and manufacture of Next Generation Chip including initial mass production run of Next Generation Chip wafers (US$6,150,000) (3)	$8,007,915
Fund design, development and testing of Next Generation Rig including manufacture and assembly of pilot production test run (US$2,400,000) (4)	$3,125,040
Reserve for 12 months of marketing, promotion and product support (i.e. warranty) for ASIC Chips and Mining Rigs (US$500,000) (4)	$651,050
Reserve for design, development, testing and manufacture of Subsequent Generation Chips and Subsequent Generation Rigs (US$8,000,000**)** (4)	$10,416,800
Reserve for additional research and development of future products and technologies (US$1,000,000**)**	$1,302,100
General and Administrative expenses for ensuing 12 months (US$1,250,000**)**	$1,627,625
Unallocated working capital	$2,884,696
TOTAL	$28,015,226

(1) Where applicable, amounts payable in US dollars have been converted to Canadian dollars using the indicative US/Canada dollar exchange rate of US$1.00 = C$1.3021 as reported by the Bank of Canada on July 30, 2018.

(2) Any funds received by the Company from the sale of Financing Warrants Shares upon the exercise of Financing Warrants will be added to unallocated working capital to fund ongoing operations. There is no certainty that these securities will in fact be exercised.

(3) See "*Technology Development Agreement*" and "*Design Service Agreement"* under "*Summary of Change of Business Transaction Documents*" and "*Milestones*" above.

(4) See ""*Milestones*" above.

The Company intends to spend the Available Funds as set out above. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

The Company may require additional funds to develop further generations of ASIC chips and Mining Rigs or other future products. There is no assurance that such additional funding will be available to the Company on commercially reasonable terms or at all. See Item 20 "*Risk Factors – Change of Business and General Risk Factors*".

Pending such use, the Company intends to invest the net proceeds of the Change of Business Financing in short-term, investment grade, interest-bearing securities and other marketable securities.

Competitive Conditions and Trends

The bitcoin and cryptoasset mining industry is rapidly evolving and highly competitive. The Company will be competing with many other companies and entities in the development, manufacture and sale of ASIC Chips and Mining Rigs for bitcoin and other cryptoassets, many of which have vastly greater resources, capital and personnel. The ability of the Company to develop and manufacture ASIC Chips and Mining Rigs in the future will depend not only on its ability to develop, manufacture and sell its initial Next Generation Chip and Next Generation Rig, but also on its ability to design, develop, market and sell Subsequent Generation Chips and Subsequent Generation Rigs for bitcoin and other cryptoassets. See Item 20 "*Risk Factors*".

8. Selected Consolidated Financial Information

Selected Annual and Interim Financial Information

The following is a summary of selected financial information for the Company for the periods indicated and should be read in conjunction with the audited financial statements of the Company for the fiscal years ended October 31, 2017, October 31, 2016 and October 31, 2015 and the interim unaudited financial statements for the subsequent six month period ended April 30, 2018 (collectively the "**Financial Statements**") appearing elsewhere in this Listing Statement, each prepared in accordance with IFRS. A discussion on dividends is provided on page 61 of this Listing Statement.

	Six Months Ended April 30, 2018	**Years Ended October 31**		
		2017	**2016**	**2015**
Total revenues	-	-	-	-
Loss before other items	(1,189,391)	(169,882)	(35,855)	(131,100)
Net loss and comprehensive loss	(1,167,891)	(218,899)	(106,532)	(132,085)
Basic and diluted loss per share	(0.03)	(0.01)	(0.00)	(0.01)
Total assets	650,735	621,862	379,558	461,441
Total long-term liabilities	-	-	-	-
Cash dividends per share	-	-	-	-

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	April 30,	Jan. 31,	Oct. 31,	July 31,	April 30,	Jan 31,	Oct. 31,	July 31,
	2018	2018	2017	2017	2017	2017	2016	2016
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loss before other items:								
Total	$ (422,887)	$ (766,504)	$ (86,616)	$ (75,054)	$ (4,905)	$ (54,987)	$ (29,355)	$ (20,488)
Net loss and comprehensive loss								
Total	$ (401,387)	$ (766,504)	$ (86,616)	$ (75,054)	$ (2,242)	$ (54,987)	$ (29,355)	$ (20,488)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

9. Management's Discussion and Analysis

Unless otherwise stated, the following management's discussion and analysis is dated as of July 31, 2018 and provides information that in management's opinion is relevant to an assessment and understanding of the Company's operations and financial condition and should be read in conjunction with the Financial Statements and the related notes thereto which appear elsewhere in this Listing Statement. The financial data below has been prepared in accordance with IFRS and a*ll figures are in Canadian dollars unless otherwise noted.*

Furthermore, all statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential financings, change of business and future plans are forward looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could or will differ materially from those anticipated in such statements. See "Forward-Looking Information" above.

Results of Operations

Three and six month periods ended April 30, 2018 compared to three and six month periods ended April 30, 2017.

The Company incurred significantly higher net losses and comprehensive losses of $401,387 and $1,167,891, respectively, for the three and six month periods ended April 30, 2018 ("**Interim 2018**") compared to net and comprehensive losses of only $2,242 and $57,229, respectively, for the corresponding three and six month periods ended April 30, 2017 ("**Interim 2017**"). The much higher losses in Interim 2018 resulted from the Company actively seeking out and investigating other potential business opportunities for building shareholder value during the latter part of 2017 and early 2018 including, but not limited to, the Company's proposed Change of Business. See Item 3 "*General Development of the Business*" and Item 7 "*Narrative Description of the Change of Business*". The largest increases related to higher consulting fees, management fees, travel expenses and legal costs associated with such investigations. The Company incurred consulting fees of $124,190 and $359,978 for the three and six month periods ended April 30, 2018, respectively, compared to no consulting fees for the corresponding three and six month periods ended April 30, 2017 as the Company engaged various consultants to assist it in the Company's investigation and due diligence of other business opportunities including, but not limited to, the Company's purchase of an 18% undivided interest in the Dahrwin License (as it relates solely to Mining Applications), the Company's investment in mCloud and the Company's proposed Change of Business and joint venture relationship with Kim. See Item 3 "*General Development of the Business*" and Item 7 "*Narrative Description of the Change of Business*" above for further details of

the Company's investigation and investment in these projects. The Company also incurred management fees of $57,500 and $110,000 for the three and six month periods ended April 30, 2018, respectively, compared to no management fees for the corresponding three and six month periods ended April 30, 2017 as the Company paid management fees to its key executive officers in Interim 2018 commensurate with the Company's increased activities during the period. Legal costs associated with, inter alia, the Company's acquisition of an interest in the Dahrwin License and the Change of Business totalled $70,734 for the six months ended April 30, 2018 ($39,415 for the three months ended April 30, 2018) compared to no legal costs for the corresponding periods in 2017. As a result of such increased activity in Interim 2018, the Company's administrative services and office and miscellaneous expenses also increased from $1,640 for the six month period ended April 30, 2017 to an aggregate of $42,654 for the corresponding six month period ended April 30, 2018. Rent also increased from nil for the six month period ended April 30, 2017 to $6,000 for the corresponding six month period ended April 30, 2018 as the Company began paying office rent in Interim 2018. Travel costs associated with the above activities and investments totalled $79,282 and $124,485, respectively, for the three and six month periods ended April 30, 2018 compared to $100 in travel expenses for the corresponding three and six month periods ended April 30, 2017. The Company also incurred share based compensation expense of $448,333 for the six month period ended April 30, 2018 compared to nil for the corresponding six month period ended April 30, 2017 associated with the granting of stock options to directors, officers and consultants of the Company during Interim 2018. As a result of the foregoing, the Company incurred a basic and diluted loss per share of $0.03 for the six month period ended April 30, 2018 compared to a loss of $0.00 per share for the corresponding six month period ended April 30, 2017.

*Fiscal year ended October 31, 2017 ("**Fiscal 2017**") compared to fiscal year ended October 31, 2016 ("**Fiscal 2016**")*

The Company has not generated revenue to date and the significantly higher net loss and comprehensive loss for Fiscal 2017 ($218,899) compared to Fiscal 2016 ($106,532) was due mainly to higher management and consulting fees, legal fees and project investigation costs. Consulting fees totalling $50,000 incurred during Fiscal 2017 (Fiscal 2016 – nil) related to services provided to the Company for new project investigations and related due diligence including the Company's proposed acquisition of SAH (see Item 3 "*General Development of the Business*"). In addition, effective May 1, 2017, the Company's then Chief Executive Officer and Chief Financial Officer began charging management fees of $5,000 per month and $2,500 per month, respectively, resulting in total $45,000 for Fiscal 2017 (Fiscal 2016 – nil). The Company also incurred direct project investigation costs of $49,045 in Fiscal 2017 compared to $39,247 in Fiscal 2016 related to the Company's proposed acquisition of SAH. In Fiscal 2017, the Company also incurred higher legal fees of $25,357 (Fiscal 2016 - $4,916) and travel expenses of $2,413 (Fiscal 2016 – nil) related primarily to the proposed acquisition of SAH and the SAH LOI. In Fiscal 2016, the Company recorded a foreign exchange loss of $31,465 (Fiscal 2017 - nil) resulting from the Company holding a portion of its available cash in US dollars during a period when the US dollar fell in value compared to the Canadian dollar. The Company did not hold any US funds during Fiscal 2017. The Company's net cash outflow from operating activities was higher during Fiscal 2017 ($136,113) compared to Fiscal 2016 ($86,073) due primarily to increased activity and expenses associated with the proposed acquisition of SAH. In addition, the cash used by the Company in investing activities associated with its mineral exploration of the Star Property fell from $31,621 in Fiscal 2016 to $10,000 in Fiscal 2017 due, for the most part, to the Company's inability to access the Star Property during the summer of 2017 due to forest fires in the area.

*Fiscal 2016 compared to fiscal year ended October 31, 2015 ("**Fiscal 2015**")*

The Company incurred a net loss and comprehensive loss of $106,532 for Fiscal 2016 compared to $132,085 for Fiscal 2015. The higher loss for Fiscal 2015 was due primarily to the increased costs associated with the Company's initial public offering and listing on the CSE in June, 2015 (see Item 3 "*General Development of the Business*" above) including higher legal fees of $52,477 (Fiscal 2016 - $4,916) and increased regulatory filing fees of $29,561 (Fiscal 2016 - $9,473). The Company also incurred share based compensation expense of $33,750 in Fiscal 2015 (Fiscal 2016 – nil) in connection with the granting of stock options to directors and officers of the Company in 2015. On the other hand, the Company incurred higher project investigation costs of $39,247 in Fiscal 2016 compared to $1,000 in

Fiscal 2015 associated with its proposed acquisition of SAH in 2016 as well as a foreign exchange loss of $31,465 in Fiscal 2016 related to the Company's holdings of US dollars in 2016. The Company did not hold any US funds during Fiscal 2015.

Liquidity and Capital Resources

At present, the Company does not generate cash from operations. The Company finances its mineral exploration activities and general operating expenses by raising capital from equity markets from time to time. See Item 3 "*General Development of the Business – Recent Financings*" above.

As at October 31, 2017 and April 30, 2018, the Company's liquidity and capital resources were as follows:

	April 30, 2018	October 31, 2017
	$	$
Cash and cash equivalents	92,021	533,056
Amounts receivable	12,576	7,003
Investment	172,000	-
Pre-paid expense	15,750	3,150
Total current assets	292,347	543,209
Accounts payable	58,479	98,191
Accrued liabilities	45,200	9,447
Working capital	188,668	435,571

Following the Change of Business, the Company's operations will consist primarily of designing, developing and manufacturing for commercial sale data mining infrastructure and system technology (including ASIC Chips and Mining Rigs) to support global blockchain applications in the cryptoasset mining space. The Company's financial success and continuation as a going concern will be dependent on, among other things, the extent to which Aracore can develop and successfully market, distribute and sell its products (including ASIC Chips and Mining Rigs) in sufficient quantities to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations.

Subsequent to April 30, 2018, the Company completed a non-brokered private placement of 13,174,500 Third Units at a price of $0.25 per Third Unit for gross proceeds of$3,293,625. See Item 3 "General Development of the Business – Recent Financings" above. As a result of such financing, as of June 30, 2018, the Company had cash and cash equivalents of $2,255,719 and working capital of $2,840,226. See "Available Funds and Principal Purposes" above.

In addition, upon completion of the Change of Business Financing (see Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Financing Subscription Agreement*"), the Company anticipates that it will have Available Funds as at June 30, 2018 of approximately $28,015,226 to fund its Change of Business and future operations for the ensuring 12 month period. See "Available Funds and Principal Purposes". Thereafter, if the Company has not yet attained positive cash flow, the Company will require additional capital to maintain operations including, but not limited, researching and developing next generation ASIC Chips and Mining Rigs and other new products and technologies. The Company's ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions, the market and demand for bitcoin and other cryptocurrencies as well as its business performance. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to it or at all. If the Company raises additional financing through the issuance of common shares from its treasury, control of the Company may change and existing shareholders will suffer additional dilution. See "*Risks Factors*" below.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements to which the Company is committed.

Related Party Transactions

The Company considers its Chief Executive Officer, Chief Financial Officer and directors of the Company to be key management.

During the year ended October 31, 2017, the Company accrued $45,000 in management fees to two private companies controlled by officers. This amount included $5,000 per month charged by Tibor Gajdics in his capacity as interim President and Chief Executive Officer and $2,500 per month charged by Kevin Hanson in his capacity as the former Chief Financial Officer of the Company. These fees were charged on a month to month basis and included in the Company's accrued liabilities as at October 31, 2017. Accounts payable at October 31, 2017 included $47,250 (October 31, 2016: $131) owed to 655992 B.C. Ltd. and Kevin Hanson Ltd., each controlled by Tibor Gajdics and Kevin Hanson, respectively, for unpaid management fees and reimbursement of expenses. Effective March 26, 2018, Simon Moore was appointed as the Company's new President and Chief Executive Officer. On March 30, 2018 Kevin Hanson retired as Chief Financial Officer of the Company and was replaced by Rich Wheeless. See Item 3 "General Development of the Business" above.

For the subsequent six month period ended April 30, 2018, the Company incurred management fees of $90,000 in respect of services provided to the Company by the following executive officers or private companies controlled by same:

Name of Officer/Director	**Position**	**Nature of Fees**	**Fees Charged**
Simon Moore	President and CEO	Management fees	$17,500
Rich Wheeless	CFO	Financial management fees	$5,000
Tibor Gajdics	Former interim President and CEO	Management fees	$40,000
Kevin Hanson	Former CFO	Financial management fees	$27,500
TOTAL			**$90,000**

Prepaid expenses at April 30, 2018 includes $15,750 in consulting fees charged by Tibor Gajdics, a director of the Company. The Company also incurred $30,000 in consulting fees from Owen King, a director of the Company, and $19,823 in administrative service fees from a private company controlled by the Donna Moroney, the Corporate Secretary of the Company, during the six months ended April 30, 2018.

Proposed Transactions

Save for the Change of Business, as of the date of this Listing Statement, there are no proposed asset or business acquisitions or dispositions which are expected to have a material effect on the financial condition, results of operations or cash flows of the Company.

Changes in Accounting Policies including Initial Adoption

The following accounting policies are those materially relevant policies that became effective for the Company subsequent to October 31, 2017.

Intangible assets

Intangible assets consist of the Company's minority interest in the Dahrwin License acquired externally and are recorded at cost less accumulated amortization and impairment losses. The intangible assets will be amortized on a straight-line basis over 8 years commencing February 1, 2018.

Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet certain criteria for deferral and amortization. The Company assesses whether it has met the relevant criteria for deferral and amortization at each reporting date.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Accounting standards and amendments issued not yet effective

The following new standards and interpretations are not yet effective and have not been applied in preparing the Company's Financial Statements included in this Listing Statement. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on its financial statements.

- IFRS 9, *Financial Instruments (effective for reporting periods beginning on or after January 1, 2018)* introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 16 *Leases* establishes a single lease accounting model requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting in IFRS 16 substantially unchanged from the predecessor standards IAS 17 Leases. The standard replaces IAS 17 Leases and related interpretations. This standard is effective for reporting periods beginning on or after January 1, 2019.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is the risk of illiquidity of cash amounting to $92,021 at April 30, 2018 (October 31, 2017 - $533,056). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be minimal.

The Company also has exposure to credit risk with regards to its amounts receivable of $12,576 as at April 30, 2018 (October 31, 2017 - $7,003), which is due from the Canadian government. The Company closely monitors this risk and believes the risk is not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating year.

As at April 30, 2018, the Company had working capital of $188,668. The Company does not currently generate revenues from operations and as such, may be dependent upon issuance of new equity to advance its projects. If equity financing is required, failure to obtain financing on a timely basis may cause the Company to postpone development plans, reduce or terminate its operations.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results.

As at April 30, 2018, the Company had minimal exposure to foreign exchange risk as all its activities were carried out in Canada and all of its financial assets and liabilities were denominated in Canadian dollars. See Item 20 "*Risk Factors*" for details of, inter alia, the potential risks arising from currency fluctuations in connection with the Company's proposed Change of Business.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of the short-term nature of the investments.

Market Risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and are comprised of foreign currency risk and interest rate risk.

Description of Securities

Common Shares

The Company's authorized share structure consists of an unlimited number of common shares without par value. As of July 31, 2018, there were a total of 56,713,922 common shares of the Company issued and outstanding. There are no obligations on any securityholder to contribute additional capital to the Company.

Share Purchase Warrants

As of July 31, 2018, there were a total of 22,868,083 share purchase warrants outstanding entitling the holders thereof to purchase up to an aggregate of 22,868,083 common shares of the Company as follows:

Number of Warrant Shares	Exercise Price Per Share	Expiry Date
6,602,500	$0.08	September 13, 2019
6,618,333	$0.08	December 21, 2019
3,060,000	$0.08	December 27, 2019
4,715,000	$0.50	May 16, 2020
1,872,250	$0.50	May 29, 2020
22,868,083		

Stock Options

As of July 31, 2018, there were a total of 3,330,893 stock options outstanding to directors, officers and consultants under the Company's Option Plan (see Item 12 "Options to Purchase Securities" below) to purchase up to an aggregate of 3,330,893 common shares of the Company as follows:

Number of Option Shares	Exercise Price Per Share	Expiry Date
125,000	$0.12	June 10, 2019
2,181,667	$0.15	January 12, 2020
250,000	$0.30	March 26, 2020
774,226	$0.31	May 16, 2020
3,330,893		

The Company has agreed to grant an additional 3,000,000 stock options to certain directors, officers and consultants of the Company in conjunction with and upon completion of the Change of Business. See Item 12 "Options to Purchase Securities" below.

10. Market for Securities

The Company's common shares are listed for trading on the CSE under the symbol "SQR".

11. Consolidated Capitalization

Since the Company's year ended October 31, 2017, the Company has issued the following common shares:

	Number	Amount
		$
Balance, October 31, 2017	**28,921,167**	**903,738**
Shares issued for cash:		
Private placement @ $0.06	10,133,333	608,000
Private placement @ $0.25	13,290,315	3,322,579
Exercise of stock options @ $0.10	600,000	60,000
Exercise of stock options @ $0.12	500,000	60,000
Exercise of stock options @ $0.15	1,251,667	187,750
Exercise of stock options @ $0.31	275,774	85,490
Exercise of warrants @ $0.08	1,181,666	94,533
Share issue cost:		
Agent's units @ $0.06	560,000	-
Fair value of warrants attached to agent's units	-	(67,200)
Fair value on stock options exercised	-	32,500
Balance, July 31, 2018	**56,713,922**	**5,287,390**

As at July 31, 2018, there were no loans due and owing by the Company to third parties.

12. Options to Purchase Securities

As of the date of this Listing Statement, the Company's only equity compensation plan is its 10% "rolling" Option Plan for directors, officers, employees and consultants of the Company. The principal purposes of the Option Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Company; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such persons to remain with the Company; to attract new talent to the Company; and to reduce the cash compensation the Company would otherwise have to pay. The Option Plan is a "rolling" plan pursuant to which the aggregate number of common shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding Shares from time to time.

The material terms of the Option Plan are as follows:

1. The number of common shares subject to each option is determined by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board, provided, at the time the options are granted, that:

    (a) the number of common shares subject to option, in the aggregate, not exceed 10% of the Company's then issued shares;

    (b) no more than 5% of the issued shares of the Company may be granted to any one optionee in any 12 month period (unless the Company has obtained "disinterested" shareholder approval);

    (c) no more than 2% of the issued shares of the Company may be granted to any one consultant in any 12 month period; and

    (d) no more than an aggregate of 2% of the issued shares of the Company may be granted to persons employed to provide "investor relations activities" in any 12 month period.

2. The exercise price of the options cannot be set at less than the last closing price of the Company's shares on the stock exchange on which the common shares of the Company are then listed on the day before the date on which the options are granted by the Company, less the maximum allowable discount from market as may be permitted under the policies of such exchange, if any, or such other minimum exercise price as may be required by such exchange.

3. The options may be exercisable for a period of up to 10 years.

4. All options are non-assignable and non-transferable and, if granted at an exercise price less than market, will be legended with a four month hold period commencing on the date the stock options are granted.

5. The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to consultants performing "investor relations activities" must vest in stages over 12 months with no more than 1/4 of the options vesting in any three month period.

6. Reasonable topping up of options granted to an individual will be permitted.

7. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Company, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed one year, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation.

8. In the event of death of an optionee, the option previously granted to him shall be exercisable as to all or any of the common shares in respect of which such option has not previously been exercised at the date of the optionee's death (including in respect of the right to purchase common shares not otherwise vested at such time), by the legal representatives of the optionee at any time up to and including (but not after) a date one year following the date of death of the optionee or the expiry time of the option, whichever occurs first.

9. Options may provide that, in the event of the sale by the Company of all or substantially all of the property and assets of the Company or in the event of a take-over bid is made for the common shares of the Company, the optionees under such options shall be entitled, for a stated period of time thereafter, to exercise and acquire all common shares under their option, including in respect of common shares available under the option that are not otherwise vested at that time.

10. Disinterested shareholder approval for any reduction in the exercise price of a previously granted option shall be obtained prior to the exercise of such options if the optionee is an "insider" of the Company at the time of the proposed reduction.

The full text of the Option Plan is available for review on SEDAR under the Company's profile at www.sedar.com.

The following stock options of the Company were outstanding as at July 31, 2018:

	Total number in group	**Total Number of Options**	**Exercise Price ($)**	**Estimated Market Value ($) (1)**	**Expiry Date**
All current and former executive officers as a group	3	281,667 258,065	0.15 0.31	70,417 23,226	January 12, 2020 May 16, 2020
All current and former directors (who are not also executive officers) as a group	1	200,000	0.31	18,000	May 16, 2020
All current and former executive officers of subsidiaries as a group	1	200,000	0.15	50,000	January 12, 2020
All current and former directors of subsidiaries (who are not also executive officers) as a group	N/A	N/A	N/A	N/A	N/A
All current and former employees as a group	N/A	N/A	N/A	N/A	N/A
All current and former employees of subsidiaries as a group	N/A	Nil	N/A	N/A	N/A
All current and former consultants as a group	10	125,000 1,700,000 250,000 316,161	0.12 0.15 0.30 0.31	35,000 425,000 25,000 28,454	June 10, 2019 January 12, 2020 March 26, 2020 May 16, 2020
TOTAL		**3,330,893**		**675,097**	

(1) Assuming a fair market value of $0.40 per share, being the issue price of the Financing Units.

In conjunction with and upon completion of the Change of Business, the Company has agreed to grant a total of 3,000,000 stock options to certain directors, officers and consultants of the Company exercisable for a period of two years at a price of $0.40 per share.

13. Description of the Securities

The authorized share structure of the Company consists of an unlimited number of common shares without par value. The following common shares of the Company were issued and outstanding as of the dates set out below:

Type of Security	Amount Authorized or to be Authorized	Outstanding as at April 30, 2018	Outstanding as at July 31, 2018
Common Shares	Unlimited	40,961,100	56,713,922

The Company's issued common shares are fully paid and not subject to any future call or assessment. In addition, all common shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends. The holders of the common shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each common share carries with it the right to one vote. The common shares have no pre-emptive, conversion, exchange, redemption, retraction, purchase for cancellation or surrender provisions and there are no sinking fund provisions in relation to the common shares.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets, the holders of the common shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the Company has paid out its liabilities. Distribution in the form of dividends, if any, will be set by the Board.

Provisions as to the modification, amendment or variation of the rights attached to the capital of the Company are contained in the Company's articles and the BCBCA. Generally speaking, substantive changes to the share capital require the approval of the shareholders by either an ordinary (50% +1 of the votes cast) or special resolution (at least 66 2/3% of the votes cast). However, in certain cases, the directors may, subject to the BCBCA, alter the Company's authorized and issued share capital to, inter alia, create one or more classes of shares or, if none of the shares of a class are allotted or issued, eliminate that class of shares; increase, reduce or eliminate the maximum number of shares that the Issuer is authorized to issue out of any class of shares; subdivide or consolidate all or any of its unissued, or fully paid issued, shares; or alter the identifying name of any of its shares.

Stock Exchange Price

The common shares of the Company are listed for trading on the CSE under the symbol "SQR". On July 5, 2018, the Company's shares were halted from trading pending completion of the Change of Business. As of July 4, 2018 the closing price of the Company's common shares on the CSE was $0.35 per share.

The following table sets out the high and low sale prices and the volume of trading of the Company's common shares on the CSE on a monthly and/or quarterly basis for the periods set out below:

Period	High C$	Low C$	Share Volume
July 5, 2018 – Trading Halted			
July 1 – 4, 2018	0.36	0.345	154,000
June 2018	0.41	0.295	1,496,105
May 2018	0.31	0.24	3,201,257
April 2018	0.32	0.24	270,100
March 2018	0.45	0.26	278,366

Period	High C$	Low C$	Share Volume
February 2018	0.25	0.15	644,000
Q1 ended January 31, 2018	0.175	0.08	76,000
Q4 ended October 31, 2017	0.135	0.07	477,240
Q3 ended July 31, 2017	0.13	0.05	212,000
Q2 ended April 30, 2017	0.125	0.055	31,000
Q1 ended January 31, 2017	0.16	0.08	8,500
Q4 ended October 31, 2016	0.16	0.10	350,000
Q3 ended July 31, 2016	0.19	0.10	179,000

14. Escrowed Securities

As of the date of this Listing Statement, there are no common shares of the Company held in escrow.

However, it is anticipated that prior to or concurrent with the Change of Business, the following principals of the Company will enter into an escrow agreement (the "**Escrow Agreement**") with TSX Trust Company, the Company's registrar and transfer agent (the "**Escrow Agent**"), and deposit up to a total of 17,806,667 common shares (the "**Escrowed Shares**") in escrow in accordance with the policies of the CSE:

Name and Province/ Country of Residence of Principal	Position with the Issuer	Number of Common Shares Held or to be Held in Escrow Upon Closing of the Change of Business (1) (2)	Percentage of Class After Giving Effect to the Change of Business Financing (3)
Simon Moore Queensland, Australia	President, Chief Executive Officer, Executive Chairman and director	551,667	0.45%
Owen King B.C., Canada	Director	877,500	0.72%
Garry Stock B.C., Canada	Director	627,500	0.52%
APMS Republic of Mauritius	Principal shareholder	15,750,000 (4) (5)	12.97% (4) (5)
TOTAL		**17,806,667** (5)	14.66% (5)

(1) See also Item 15 "*Principal Shareholders*" and Item 16 "*Directors and Officers*" below.

(2) These shares will be deposited in escrow with the Escrow Agent. The Escrow Agent will be paid a fee for its services in acting as Escrow Agent for the Escrowed Shares.

(3) Based on 121,440,172 common shares issued and outstanding after giving effect to the Change of Business Financing.

(4) After giving effect to the Change of Business Financing. In addition, APMS holds share purchase warrants to purchase up to an additional 4,000,000 common shares of the Company and it is anticipated that APMS will acquire an additional 3,875,000 Financing Warrants pursuant to the Change of Business Financing, all of which warrants may be subject to escrow in accordance with the policies of the CSE. See Item 15 "*Principal Shareholders*" below.

(5) APMS has applied to the CSE for a waiver exempting APMS from the escrow restrictions of the CSE. As of the date of this Listing Statement, such waiver application is pending and accordingly all or any part of APMS' common shares and/or warrants may be exempt from escrow.

Subject to the provisions of the Escrow Agreement, the Escrowed Shares are to be released as follows:

Date	Percentage of Escrowed Shares to be Released
Listing Date [1]	10%
6 months from the Listing Date	15%
12 months from the Listing Date	15%
18 months from the Listing Date	15%
24 months from the Listing Date	15%
30 months from the Listing Date	15%
36 months from the Listing Date	15%
TOTAL	**100%**

(1) For the purposes of the Escrow Agreement, the "Listing Date" means the date the Company's common shares are reinstated for trading by the CSE following completion of the Change of Business.

The Escrowed Shares cannot generally be transferred or otherwise dealt with while in escrow. Permitted transfers or dealings within escrow include: (1) transfers to continuing or, upon their appointment, incoming directors and executive officers of the Company or of a material operating subsidiary, with approval of the Board; (ii) transfers to a person or company that, before the transfer, holds more than 20% of the Company's common shares; (iii) transfers to a person or company that, after the transfer, holds more than 10% of the Company's common shares and has the right to elect or appoint one or more directors or executive officers of the Company or any of its material operating subsidiaries; (iv) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse, children or parents; (v) transfers upon bankruptcy to the trustee in bankruptcy; (vi) pledges to a financial institution as collateral for a bona fide loan, provided that upon a realization the securities remain subject to escrow; and (vii) releases from escrow to a holder's legal representatives upon death. Tenders of Escrowed Shares to a formal take-over bid for all outstanding equity securities would be permitted provided that, if the holder of the Escrowed Shares is a principal of the successor issuer upon completion of the take-over bid, securities received in exchange for tendered Escrowed Shares are substituted in escrow on the basis of the successor issuer's escrow classification.

15. Principal Shareholders

As at July 31, 2018 and/or upon completion of the Change of Business Financing, the following Persons own or will beneficially own, or control or direct or will control or direct, directly or indirectly, 10% or more of the issued and outstanding common shares of the Company:

Name and Municipality of Residence	Type of Ownership	Number and Percentage of Common Shares Held as at July 31, 2018 (prior to giving effect to the Change of Business Financing) on a non-diluted and fully-diluted basis [1] [2]	Number and Percentage of Common Shares Held as at July 31, 2018 (after giving effect to the Change of Business Financing) on a non-diluted and fully-diluted basis) [1] [3]
Christopher Reynolds *Vancouver, B.C.*	Direct and Beneficial	6,269,000 (11.05%%) [4] – undiluted 11,231,500 (13.55) [5] – diluted	6,269,000 (5.16%) [4] - undiluted 11,231,500 (6.14%) [5] - diluted
APMS Investment Fund Ltd. Republic of Mauritius	Direction/Control [6]	8,000,000 (14.11%) – undiluted 12,000,000 (14.47%) [7] – diluted	15,750,000 (12.97%) – [8] undiluted 23,625,000 (12.91%) [7] [9] - diluted

Notes:

(1) This information is not within the knowledge of the management of the Company and has been furnished by the respective holders, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider or other reports filed by the holders and available through the Internet at www.sedi.ca or www.sedar.com.

(2) The denominator for the calculation of undiluted percentages is 56,713,922 and the denominator for the calculation of diluted percentages is 82,912,898.

(3) The denominator for the calculation of undiluted percentages is 121,440,172 and the denominator for the calculation of diluted percentages is 182,972,273. The denominator for the diluted percentage includes the common shares issuable upon the exercise of (i) 31,875,000 Financing Warrants, (ii) 478,125 Financing Warrants issued by way of finder's fee; (iii) 22,868,083 outstanding share purchase warrants, (iv) 3,330,893 outstanding stock options, and (v) 3,000,000 stock options to be granted upon completion of the Change of Business. See Item 6 "*General Development of the Business – Change of Business Financing*", Item 9 "*Management's Discussion and Analysis – Description of Securities*" and Item 12 "*Options to Purchase Securities*".

(4) Mr. Reynolds holds (i) 386,500 common shares directly, (ii) 5,582,500 common shares indirectly through Faveo Capital Ltd., and (iii) 300,000 common shares indirectly through Reynolds House Investment Group Ltd.

(5) Mr. Reynolds holds (i) 402,500 share purchase warrants directly, (ii) 560,000 share purchase warrants indirectly through Faveo Capital Ltd., and (iii) a private option to purchase up to 2,000,000 common shares and 2,000,000 share purchase warrants indirectly through Faveo Capital Ltd.

(6) APMS is an investment fund domiciled in the Republic of Mauritius.

(7) After giving effect to the exercise of 4,000,000 share purchase warrants held by APMS to purchase an additional 4,000,000 common shares of the Company at a price of $0.50 on or before May 16, 2020.

(8) In connection with the Change of Business Financing, it is anticipated that APMS will purchase, subject to certain conditions, a total of 7,750,000 Financing Units at a price of $0.40 per Financing Unit pursuant to the Change of Business Financing. See Item 6 "*General Development of the Business – Change of Business Financing*" and Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Financing Subscription Agreement*" for a description of the Change of Business Financing.

(9) After giving effect to the exercise of 3,875,000 Financing Warrants to purchase a total of 3,875,000 Financing Warrant Shares at a price of $0.80 per Financing Warrant Share for a period of two years after Closing of the Change of Business Financing.

16. Directors and Officers

Upon completion of the Change of Business, it is anticipated that the executive officers and directors of the Company will be the persons set forth in the table below. The table and the notes thereto set out the name, municipality and country of residence, current principal occupation, and offices to be held by each proposed executive officer or director, as well as all other positions and offices with the Company now held by them (and their periods of service as directors or officers of the Company), if applicable, and the number of voting securities anticipated to be beneficially owned, directly or indirectly, or over which each exercises control or direction, following the Change of Business and Change of Business Financing.

Name, Municipality of Residence and Proposed Position with the Company following Change of Business	Period serving as a director or officer of the Company	Principal Occupation(s) over the past 5 years	Number and Percentage of Common Shares as at July 31, 2018 (1) (2)	Number and Percentage of Common Shares after giving effect to Change of Business Financing (1) (3)
Simon S. Moore (9) (10) Age: 51 *Buderim, Queensland Australia* President, CEO, Executive Chairman and Director	Director and officer since March 26, 2018	President and CEO of Squire, March 2018 to present; Managing Director, Go Beyond Pty Ltd. (creative management consulting firm), 2011 to present; Senior Advisor to Board, the Rype Group (business process and systems integration specialists), Jan 2015 to March 2018	551,667 common shares (0.97%)	551,667 common shares (0.45%) (4)

Name, Municipality of Residence and Proposed Position with the Company following Change of Business	Period serving as a director or officer of the Company	Principal Occupation(s) over the past 5 years	Number and Percentage of Common Shares as at July 31, 2018 (1) (2)	Number and Percentage of Common Shares after giving effect to Change of Business Financing (1) (3)
Owen C. King (9) Age: 50 *North Vancouver, B.C.* *Director*	Director since October 30, 2017	Self employed business development consultant to publicly traded companies; former investment advisor with Global Securities Corporation, Mar 2014 to July 2014 and Mackie Research Capital, Dec 2003 to Mar 2014	2,150,000 common shares (3.79%)	2,150,000 common shares (4) (1.77%)
Garry A. Stock (9) (10) Age: 51 *Vancouver, B.C.* *Director*	Director since December 1, 2017	President, Stock Investments Inc. (private consulting/investment company), 2006 to present; Co-founder and CFO, Rakai Resources Ltd. (private social investment/mineral exploration company), 2012 to present; Director, Jaxon Mining Inc. (TSXV: JAX); Mar 2017 to Aug 2017)	1,850,000 common shares (3.26%)	1,850,000 common shares (4) (1.52%)
David M. Rokoss Age: 47 *Vancouver, B.C.* *Director*	Director since April 11, 2018	President, Rokoss Consulting Inc. (private consulting company), 2008 to present; Principal, Ptolemy Capital (venture capital company); Director, Blackheath Resources Inc. (TSXV: BHR), July 2017 to present	200,000 common shares (5) (0.35%)	200,000 common shares (4) (5) (0.16%)
Peter Wielgosz (6) Age: 41 *Dubai, UAE* *Director*	N/A	Lawyer (Australia – State of Victoria), 2006 to 2018; Advisor to family offices; 2014 to present; Attorney, Clifford Chance LLP (Dubai and London offices), 2008 to 2014; Attorney, Freehills LLP (Melbourne), 2006 to 2008	Nil	Nil (7)
Rich Wheeless Age: 38 *Liberty Township* *Ohio, USA* *Chief Financial Officer*	CFO since March 30, 2018	Chief Financial Officer, Squire, March 2018 to present; CEO, Enrich Media Group Ltd. (private social media company), April 2017 to present; former CFO, Rivetz, Inc. (hardware security company), Jan 2015 to April 2017; former CFO, LauchKey, Inc. (software security company), May 2014 to Dec. 2014 (acquired by Iovation, Inc. in 2015); former CEO, Brivas Technologies (software security company), Jan 2013 to May 2014	241,935 common shares (0.43%)	241,935 common shares (4) (0.20%)
Peter Kim Age: 42 *Irvine, California, , USA* *President of Aracore*	President, Aracore since March 22, 2018	President, HPK International Inc. (private technology consulting firm), May 2004 to present	Nil	Nil (4)

Name, Municipality of Residence and Proposed Position with the Company following Change of Business	Period serving as a director or officer of the Company	Principal Occupation(s) over the past 5 years	Number and Percentage of Common Shares as at July 31, 2018 (1) (2)	Number and Percentage of Common Shares after giving effect to Change of Business Financing (1) (3)
Richard Underhill Age: 50 *Woodland Hills California, U.S.A.* *Executive Vice-President*	Executive Vice-President since July 30, 2018	Self-employed writer, producer and director of independent films and network television	807,173 common shares (1.42%)	807,173 common shares (4) (0.66%)
Donna Moroney Age: 57 *Vancouver, B.C.* *Corporate Secretary*	Corporate Secretary since December 11, 2017	President and owner of Wiklow Corporate Services Inc.	200,000 common shares (8) (0.35%)	200,000 common shares (4) (8) (0.16%)

(1) The number of common shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed director and officer of the Company as of July 31, 2018. These figures do not include common shares issuable upon the exercise of incentive stock options or share purchase warrants.

(2) Percentages based on issued and outstanding share capital of 56,713,922 common shares as of July 31, 2018.

(3) Percentages based on issued and outstanding share capital of 121,440,172 common shares as of July 31, 2018 after giving effect to the Change of Business Financing including the issuance of 956,250 Financing Units by way of finder's fee. See Item 7 "Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Financing Subscription Agreement".

(4) These figures assume no Financing Units are purchased under the Change of Business Financing.

(5) These shares are held indirectly through the Rokoss-McGrath 2017 Family Trust.

(6) Mr. Wielgosz is the Lead Subscriber's nominee on the Board. See Item 7 "Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Financing Subscription Agreement" for details of the Lead Subscriber's right to nominate one director to the Board. In order to accommodate Mr. Wielgosz's appointment to the Board, Tibor Gajdics, a current director of the Company, has indicated his intention to step down as a director of the Company concurrent with the Closing of the Change of Business Financing.

(7) Mr. Wielgosz is the Lead Subscriber's nominee on the Board. Upon completion of the Change of Business Financing the Lead Subscriber is expected to own a total of 15,750,000 common shares or 12.97% of the issued and outstanding shares of the Company. See Item 15 "Principal Shareholders" herein.

(8) These common shares are held by indirectly by Ms. Moroney through her wholly-owned company, Moroney Holdings Inc.

(9) Member of the audit committee. The general function of the audit committee is to review the overall audit plan and the Company's system of internal controls, to review the external audit, and to resolve any potential dispute with the Company's auditors.

(10) Member of the compensation committee. The compensation committee is primarily responsible for making recommendations to the Board regarding executive compensation.

If the Change of Business and Change of Business Financing are completed, the directors and executive officers of the Company, as a group, will control, directly or indirectly, 6,000,775 common shares, representing approximately 4.94% of the total issued and outstanding common shares on an undiluted basis (9,423,335 shares or 5.15**%** on a fully diluted basis).

The term of office of the Company's directors will expire annually at the time of the Company's annual general meeting or when or until their successors are duly appointed or elected. The term of office of the Company's executive officers is subject to the discretion of the Board.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders and Bankruptcies

Save and except as disclosed below, to management's knowledge, none of the directors or executive officers of the Company or any shareholder holding a sufficient number of common shares to materially affect control of the Company, is, or within the ten years prior to the date of this Listing Statement, has been, a director or officer of any other issuer that, while such person was acting in that capacity:

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

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Garry Stock was the Chief Financial Officer and a director of Cascade Resources Ltd. and a director of Buffalo Gold Ltd. when ceased trade orders were issued against such companies by the British Columbia Securities Commission on March 8, 2016 and May 11, 2009, respectively, for failure to file annual financial statements and accompanying management's discussion and analysis within the time periods prescribed by applicable securities legislation. Mr. Stock was also a director of Coltstar Ventures Inc. when its shares were suspended from trading by the TSX Venture Exchange on May 10, 2012 for failure to file annual financial statements.

Penalties or Sanctions

To management's knowledge, none of the directors or executive officers of the Company or any shareholder holding a sufficient number of common shares to materially affect control of the Company, has, since December 31, 2000, been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To management's knowledge, none of the directors or executive officers of the Company or any shareholder holding a sufficient number of common shares to materially affect the control of the Company, or a personal holding company of any such persons, has, within the 10 years prior to the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

There may be potential conflicts of interest to which the directors and officers of the Company will be subject following the Change of Business in connection with the operations of the Company and Aracore. Specifically, Peter Kim currently owns 33.5% of the issued and outstanding shares of Aracore and is entitled to a royalty on gross revenues received by Aracore from the sale of ASIC Chips. See Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Aracore Shareholder Agreement*". As such, circumstances may arise in the future when the personal interests of Mr. Kim conflict with the interests of Aracore/or and the Company. In addition, each of the directors and officers of Company may become or already is associated with other reporting issuers or other entities (including other reporting issuers and entities involved in the technology and/or cryptocurrency industries) which may give rise to conflicts of interest. Certain of directors and officers have other employment or other business or time restrictions placed on them and accordingly, these directors will only be able to devote part of their working time to the affairs of Company. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of new opportunities, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations.

Conflicts, if any, will be subject to the procedures and remedies prescribed by the BCBCA and applicable securities law, regulations and policies including, but not limited to, the requirement that any director or officer declared his or her interest in any material transaction involving the Company and abstain from voting thereon.

Management

The following is a brief description of the business, work and educational background of the Company's proposed executive officers following completion of the Change of Business whose expertise will be critical in providing the Company with a reasonable opportunity to achieve the Company's stated business objectives.

Simon S. Moore – President, Chief Executive Officer and Executive Chairman

Mr. Moore has over 30 years of corporate management experience working across various industry sectors and in both public and private enterprise. He holds a Master of Business (Research) from Queensland University of Technology, Australia. Further, for almost a decade he was as an accredited and award winning post graduate university lecturer in digital advertising, online marketing, communication and public relations. He is a retired Fellow of the Australian Institute of Management, past Deputy Chairman of the Sunshine Coast Management Council and Executive Manager for the Australian Institute of Management Education and Training.

Mr. Moore is the founder and past CEO of two Australian digital advertising agencies, Chairman of a cloud integration company and retired CEO of one of Australia's largest eLearning development companies, managing hundreds of projects throughout Australia, Asia, North America and the United Kingdom. Under his leadership, Mr. Moore was responsible for creating innovative online training programs utilized in the resource sector, developing core and site induction training programs for BHP Billiton, BHP Mitsubishi Alliance, BHP Mitsu Coal and Arrow Energy, to name just a few. He has been a sought after executive in education, execution and corporate management of training innovation in the resource sector. In 2014, Mr. Moore was awarded with the Australian LearnX, eLearning Management Award: Manager of the Year in recognition of his leadership in the sector.

Mr. Moore currently sits on several company boards. For seven years he was the Chairman of two Australian private companies and a not-for-profit organization that works with disadvantaged communities across Australia.

Mr. Moore will act as the President, Chief Executive Officer and Executive Chairman of the Company and be primarily responsible for the developing, in collaboration with the Board, and implementing the Company's strategic direction and business plan, executive leadership and overseeing the day to day

management and operations of the Company and is expected to devote approximately 75% of his working time and attention, as an independent contractor, to the business of the Company and Aracore.
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Rich Wheeless – Chief Financial Officer

Mr. Wheeless has over 15 years of financial leadership and corporate management experience working across various industry sectors and in both public and private enterprise. He holds a Master of Business Administration with honors from Otterbein University and a Bachelor of Science in Finance from Miami University.

Mr. Wheeless has been an active investor, advisor, and/or board member for numerous privately-held companies. Most recently, he was the Chief Financial Officer for the security software company Rivetz, Inc., which recently completed a $19 million initial coin offering. Previous to that, he was CFO of LaunchKey, Inc. and CFO of Pilus Energy, a renewable energy company that was acquired by publicly traded company Tauriga Sciences.

Previously, he was Director of Finance and Assistant Treasurer of Xtek, Inc. (one of the United States' fastest growing privately owned manufacturers of customer engineered steel replacement parts). He has also held managerial posts at Johnson and Johnson, as well as Cardinal Health, both Fortune 30 companies. Mr. Wheeless originally started his career in the private equity division at Citigroup, another Fortune 30 company. He has extensive experience in the areas of mergers and acquisitions, credit, treasury, corporate finance, financial reporting, and operations.

Mr. Wheeless will act as the Chief Financial Officer of the Company and be primarily responsible for management of the Company's finance and accounting functions including budgeting and forecasting, the integrity of the Company's accounting systems, internal controls and cash management, tax planning and financial and regulatory reporting and is expected to devote approximately 75% of his working time and attention, as an independent contractor, to the business of the Company.

Peter Kim – President of Aracore Technology Corp.

Peter Kim is a business executive with extensive experience in chip design and system architecture, developing IT solutions and support, vendor sourcing and project management. Mr. Kim started his career in chip design and system engineering architecture in 1999. He has been involved in chip design and phase one chip architecture including software and hardware R&D, database and management systems development, network infrastructure design and security systems, ASIC and module solutions. Mr. Kim holds a Bachelor of Science, Computer Science Major (1999), from Washington University, School of Engineering, in Saint Louis, MO and is multilingual in English, Korean and Japanese.

Mr. Kim will act as the President of Aracore and be primarily responsible for designing and developing Aracore's ASIC Chips including liasing with the Development Team and chip fabricator in the development and manufacture of ASIC Chips and managing the day to day operations of Aracore and is expected to work exclusively for Aracore and/or other Affiliates or subsidiaries of the Company. Mr. Kim has also agreed to abide by certain confidentiality and non-competition provisions during the term of the Kim Executive Contractor Agreement with Aracore and for a fixed period thereafter.

Richard Underhill – Executive Vice-President

Rick Underhill is veteran producer of films and network television and has produced more than 600 hours of network television and four feature films spanning a 20-year career in the entertainment industry. He has extensive experience in negotiating business deals and contracts including multiple projects with VH1, TLC, Reveille, Sony, Universal and Newline Cinema as well as being responsible for creating the branding and marketing campaigns for each project. Mr. Underhill has also founded and developed two video-streaming technology platforms and has a deep knowledge and expertise in the technology sector. Mr. Underhill will act as Executive Vice-President of the Company and be responsible for, among other things, overseeing corporate development, business affairs, production logistics, marketing, branding and promotion of the Company's ASIC Chips and Mining Rigs while liaising with the Company's distributors.

It is expected that Mr. Underhill will devote approximately 75% of his working time and attention, as an independent contractor, to the business of the Company.

Donna M. Moroney – Corporate Secretary

Ms. Moroney has over 30 years of experience in regulatory and corporate compliance in both Canada and the United States, and as a senior officer of various public companies. As President of Wiklow Corporate Services Inc., she assists companies in the resource, financial and technology sectors in maintaining the securities and exchange demands on public companies, as well as keeping them up-to-date on relevant issues, policies and working practices. Ms. Moroney also assists companies reporting in the US in preparing registration statements, quarterly and annual financial filings and other various facets of meeting US securities requirements.

Ms. Moroney also leads seminars that provide a practical guide for public companies in meeting their securities regulatory compliance requirements. She serves as a director and/or senior officer for numerous public companies.

Ms. Moroney will act as Corporate Secretary of the Company and be primarily responsible for managing and administrating the Company's corporate and securities regulatory filings as a publicly traded company and is expected to devote approximately 15% of her working time and attention, as an independent contractor, to the business of the Company.

Prior to completion of the Change of Business, it is expected that all of the executive officers listed above will have agreed to certain non-disclosure and non-competition restrictions in their respective executive contractor and/or consulting agreements with the Company or Aracore, as applicable.

17. Capitalization

The following chart provides a breakdown of the estimated distribution of the Company's common shares between, among others, Related Persons and the public after giving effect to the Change of Business Financing.

For the purposes of this chart, "Related Persons" means (1) a Related Entity of the Company, (2) a director or officer of the Company or Related Entity, (3) a promoter of or Person who performs investor relations activities for the Company or Related Entity, (4) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the Company's issued and outstanding common shares, and (5) such other Person as may be designated by the CSE. A "Related Entity", in respect of the Company, means a Person that is an affiliated entity of the Company, of which the Company is a control block holder.

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	121,420,172 (1)	182,972,273 (2)	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) (B)	84,019,775 (3)	128,279,835 (3)	69.20%	70.11%
Total Public Float (A-B)	37,400,397	54,692,438	30.80%	29.89%

Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	95,687,417 (4)	134,627,792 (4)	78.81%	73.58%
Total Tradeable Float (A-C)	25,732,755	48,344,481	21.19%	26.42%

(1) After giving effect to the issuance of 63,750,000 common shares and 956,250 finder's fee shares pursuant to the Change of Business Financing.

(2) This figure includes the common shares issuable upon the exercise of (i) 31,875,000 Financing Warrants, (ii) 478,125 Financing Warrants issued by way of finder's fees; (iii) 22,868,083 outstanding share purchase warrants, (iv) 3,330,893 outstanding stock options, and (v) 3,000,000 stock options to be granted upon completion of the Change of Business. See Item 6 "General Development of the Business – Change of Business Financing", Item 9 "Management's Discussion and Analysis – Description of Securities" and Item 12 "Options to Purchase Securities".

(3) This figure assumes that all Subscribers for Financing Units under the Change of Business Financing will own or control more than 5% of the issued and outstanding common shares of the Company upon completion thereof.

(4) See Item 14 "Escrowed Shares" above.

Public Securityholders (Registered)

Class of Security		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	N/A	
100 – 499 securities	N/A	
500 – 999 securities	N/A	
1,000 – 1,999 securities	N/A	
2,000 – 2,999 securities	N/A	
3,000 – 3,999 securities	N/A	
4,000 – 4,999 securities	N/A	
5,000 or more securities	33	6,481,250
	33	**6,481,250**

Public Securityholders (Beneficial)

Class of Security		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	9	11,000
2,000 – 2,999 securities	1	2,000
3,000 – 3,999 securities	6	19,850
4,000 – 4,999 securities	2	8,000
5,000 or more securities	34	3,928,710
Unable to confirm	Unknown	26,949,587
Total	**>52**	**30,919,147**

Non-Public Securityholders (Registered)

Class of Security		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	6	11,876,935
	6	**11,876,935**

The following table sets out details of all securities convertible or exchangeable into common shares of the Company as of July 31, 2018.

Description of Security (include conversion/exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Share purchase warrants exercisable @ $0.08 per share on or before September 13, 2019	6,602,500	6,602,500
Share purchase warrants exercisable @ $0.08 per share on or before December 21, 2019 (as to 6,618,333 shares) and December 27, 2019 (as to 3,060,000 shares)	9,678,333	9,678,333
Share purchase warrants exercisable @ $0.50 per share on or before May 16, 2020 (as to 4,715,000 shares) and May 29, 2020 (as to 1,872,250 shares)	6,587,250	6,587,250
Stock options exercisable @ $0.12 per share, on or before June 10, 2019	125,000	125,000
Stock options exercisable @ $0.15 per share, on or before January 12, 2020	2,181,667	2,181,667
Stock options exercisable @ $0.30 per share on or before March 26, 2020	250,000	250,000
Stock options exercisable @ $0.31 per share on or before May 16, 2020	774,226	774,226
TOTAL	**26,198,976**	**26,198,976**

See also Item 12 "*Options to Purchase Securities*" for details of the 3,000,000 stock options to be granted to certain directors, officers and consultants of the Company upon completion of the Change of Business.

18. Executive Compensation

The following discussion sets out the Company's proposed compensation philosophy with respect to its executive officers and directors after giving effect to the Change of Business. Notwithstanding the following discussion, there may be circumstances where, for sound business reasons, the Board determines that another compensation strategy is in the best interests of the Company.

For details of, inter alia, the compensation paid to certain former executive officers of the Company during the three most recently completed fiscal years ended October 31, 2017, October 31, 2016 and October 31, 2015, please refer to the Company's 2017 Annual Listing Statement, a copy of which is available for review under the Company's profile on the CSE.

Compensation Discussion and Analysis

Following completion of the Change of Business, the Board will hold meetings periodically (not less than annually) to review and discuss the compensation for the Company's executive officers, taking into account, among other things, the Company's capital resources and industry standards.

The objectives of the Company's executive compensation program are expected to include the following: (i) recruiting and retaining executives and senior management critical to the future success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation commensurate with an individual's experience and expertise; (iii) balancing the interests of management

and shareholders of the Company; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. Following the Change of Business, the Board may also establish an appropriate comparator group of peer companies which will include other companies of similar size and market capitalization in order to compare its executive compensation packages against those awarded by the companies in the comparator group.

Elements of Executive Compensation

Initially, compensation is expected to consist of three principal elements, namely: base fee or salary, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (stock options). The Board will review all three components in assessing the compensation of individual executive officers and of the Company as a whole.

Base fees or salaries and bonuses (discretionary) are intended to provide current compensation and a short-term incentive for executive officers to meet the Company's goals, as well as to remain competitive within the industry. Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the executive officers. Executive officers will also be eligible to receive discretionary bonuses as determined by the Board from time to time based on each officer's responsibilities, his or her achievement of individual and corporate objectives and the Company's financial performance. Cash bonuses are intended to reward the executive officers for meeting or exceeding the individual and corporate performance objectives set by the Board.

Stock options are an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Company's common shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Company's common shares and enable executives to acquire and maintain a significant ownership position in the Company. Stock options also represent an additional form of compensation to the Company's executive officers without directly impacting the Company's cash resources. In determining the number of options to be granted to executive officers, the Board expects to give consideration to, among other things, the executive's current and potential contribution to the success of the Company, the relative position of the executive within the Company, previous stock option grants and the number of options granted to executive officers of companies of similar size and market capitalization. See Item 12 "*Options to Purchase Securities*" above for details of the stock options previously granted to, among others, the Company's executive officers as of the date of this Listing Statement.

Further, perquisites such as health and life insurance plans and other usual perquisites or long-term incentives, where appropriate, may be provided for the Company's executive officers in accordance with industry practice to ensure that the Company's compensation packages are competitive.

Summary Compensation Table

The following table summarises the proposed compensation to be paid by the Company to its Chief Executive Officer, Chief Financial Officer, and each other Named Executive Officer whose total compensation is anticipated to exceed $150,000 during the 12 month period following completion of the Change of Business.

	SUMMARY COMPENSATION TABLE							
Name and Principal Po sition	**Salary ($)**	**Share based Awards**	**Option-Based Awards ($) (1)**	**Non-Equity Incentive Plan Compensation**		**Pension Value**	**All Other Compen sation ($)**	**Total Compen sation($) (4)**
				Annual Incentive Plans ($)	**Long-Term Incentive Plans ($)**			
Simon Moore President and CEO	180,000	Nil (2)	187,500	Nil	Nil	Nil	Nil	367,500
Rich Wheeless CFO	120,000	Nil (2)	Nil	Nil	Nil	Nil	Nil	120,000
Peter Kim President of Aracore	157,884 (3)	Nil (2)	75,000	Nil	Nil	Nil	Nil	232,884

Notes:

(1) See "*Incentive Plan awards*" below for details of the stock options currently held by or anticipated to be granted to the Named Executive Officers of the Company upon completion of the Change of Business.

(2) As of the date of this Listing Statement, the Company has not granted nor authorized for granting any share based awards to the Named Executive Officers upon completion of the Change of Business. Notwithstanding the foregoing, the Board may, in its discretion, grant share based awards to the Named Executive Officers within the 12 month period following completion of the Change of Business, having regard to, inter alia, the Company's then stage of development and industry standards. See "*Incentive Plan awards*" below.

(3) Under the terms of the Kim Executive Contractor Agreement with Aracore, Kim is entitled to receive a fee of US$10,000 per month (US$120,000 per annum) in consideration for providing executive contractor services to Aracore. This figure has been converted to Canadian dollars using the indicative US/Canada exchange rate published by the Bank of Canada for July 24, 2018 of US$1.00 = C$1.3157.

(4) These figures do not include discretionary cash bonuses, if any, that may be paid to the Named Executive Officers during the 12 month period following completion of the Change of Business as determined by the Board.

Incentive Plan Awards

Upon completion of the Change of Business, it is anticipated that the following stock options will be held by or granted to the Named Executive Officers of the Company:

	Option-based Awards			
Name	**Number of Securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option Expiration Date**	**Value of unexercised in-the-money-options ($)(1)**
Simon Moore President and CEO	31,667 750,000 (2)	0.15 0.40	Jan 12, 2020 2 years after Closing	7,917 Nil
Rich Wheeless CFO	258,065	0.31	May 16, 2020	23,226
Peter Kim President of Aracore	200,000 300,000 (2)	0.15 0.40	Jan 12, 2020 2 years after Closing	50,000 Nil
TOTAL	**1,539,732**			**81,143**

Notes:

(1) Assuming share valuation is set at a fair market value of $0.40 per share, being the issue price of the Financing Units.

(2) These options will be granted in conjunction with the Change of Business. See Item 12 "*Options to Purchase Securities*".

As of the date of this Listing Statement, the Company has not granted nor authorized for granting any share based awards to the Named Executive Officers upon completion of the Change of Business. Notwithstanding the foregoing, the Board may, in its discretion, grant share based awards to the Named Executive Officers within the 12 month period following completion of the Change of Business, having regard to, inter alia, the Company's then stage of development and industry standards.

See also Item 12 "*Options to Purchase Securities*" above.

Pension Plan Benefits

As of the date of this Listing Statement, the Company does not expect to establish any pension, retirement or deferred compensation plans, including defined contribution plans, for its Named Executive Officers in the first year following completion of the Change of Business.

Termination and Change of Control Benefits

The Company has entered into formal agreements with certain of the Named Executive Officers which include, in certain circumstances, a termination payment equal to six (6) months' fees plus 50% of the preceding year's discretionary cash bonuses in the event of termination of the Named Executive Officer by the Company without cause and a minimum of eighteen (18) months' fees plus a pro rata amount of the preceding year's discretionary cash bonuses in the event of termination of the Named Executive Officer in connection with a change of control of the Company. Save as aforesaid, as of the date of this Listing Statement, there is no compensatory plan, contract or arrangement whereby a Named Executive Officer is entitled to receive any severance or termination payment from the Company or any subsidiary in the event of the termination or constructive dismissal of the officer's employment with the Company or any subsidiary or following a change of control of the Company.

Compensation of Directors

Following completion of the Change of Business, it is anticipated that the non-executive directors of the Company may receive a director's fee or stipend in their capacities as directors of the Company consistent with the Company's financial resources and industry norms, which fee or stipend will be reviewed annually by the Board. The directors of the Company will also be entitled to reimbursement for transportation and other out-of-pocket expenses incurred for attendance at board of directors meetings and in connection with discharging their director functions.

Non-executive directors of the Company will also be entitled to participate in the Option Plan. The following table sets out the stock options currently held by or proposed to be granted to the Company's non-executive directors upon completion of the Change of Business:

	Option-based Awards			
Name	**Number of Securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option Expiration Date**	**Value of unexercised in-the-money-options ($)(1)**
Owen King	200,000 (2)	0.40	2 years after Closing	Nil
Garry Stock	Nil	N/A	N/A	N/A

David Rokoss	200,000 (2)	0.40	2 years after Closing	Nil
Peter Wielgosz	Nil	N/A	N/A	N/A
Unallocated	200,000 (2) (3)	$0.40	2 years after Closing	Nil
TOTAL	600,000 (2)			

Notes:

(1) Assuming share valuation is set at a fair market value of $0.40 per share, being the issue price of the Financing Units.

(2) These options will be granted in conjunction with the closing of the Change of Business.

(3) The allocation of these stock options is pending.

See also Item 12 "*Options to Purchase Securities*" above.

19. Indebtedness of Directors and Executive Officers

No individual who is, or at any time during the most recently completed financial year of the Company was, a director or executive officer of the Company, and no Associate of any such director or executive officer is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any subsidiary in connection with the purchase of securities or otherwise. In addition, no such individual is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to another entity whose indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary.

20. Risk Factors

An investment in securities of the Company involves a high degree of risk, should be considered highly speculative due to the nature of the Company's proposed Change of Business and should only be made by Persons who can afford the risk of loss of their entire investment. Investors should carefully consider all of the information disclosed in this Listing Statement prior to making an investment in the Company. In addition to the other information presented in this Listing Statement, the following risk factors should be given special consideration when evaluating an investment in any of the Company's securities. If any of the following risks or uncertainties actually occurs, the business, prospects, financial condition and operating results of the Company would likely suffer, possibly materially. In that event, the market price of the Company's common shares could decline and investors could lose all or part of their investment. Additional risks and uncertainties presently unknown, or that are not believed to be material at this time, may also impair or have a material adverse effect on the Company and its future operations. There is no assurance that risk management steps taken by the Company will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. Investors are further cautioned that the following list of risks is not exhaustive.

Change of Business and General Risk Factors

Completion of the Change of Business and CSE Approval

The completion of the Change of Business and Change of Business Financing are subject to numerous conditions precedent. There can be no assurances that the Change of Business and Change of Business Financing will be completed on the terms set out in the various change of business transaction documents, as negotiated, or at all. See Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents*". In the event that any of the conditions precedent are not satisfied or waived, the Change of Business or Change of Business Financing may not be completed. Further, there is no guarantee that the Company will be able to satisfy the requirements of the CSE such that it will grant CSE Approval.

Lack of Operating History

The Company is undergoing a Change of Business and therefore has no history of operations, is in the early stage of development and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. In addition, the Company has no history of earnings, and there is no assurance that any of its future products will generate earnings, operate profitably or provide a return on investment in the future. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company's ability to continue as a going concern is uncertain.

Upon completion of the Change of Business Financing, the Company expects to have sufficient financial resources to fund its Change of Business for an initial 12 month period. Thereafter, the Company's ability to continue as a going concern will be dependent upon, among other things, its ability to develop, manufacture and sell its products in sufficient quantities to generate sufficient revenues to earn a profit. The Company expects to manage its expenses in light of short term and long term revenue opportunities; however, there are no assurances that the Company will be able to achieve profitability on a quarterly or annual basis. The Company's business strategies may be unsuccessful. If short term and long term revenue opportunities do not come to fruition, this will impact the Company's ability to achieve profitability. In addition, unexpected costs, problems or delays could severely impact the Company's ability to generate revenues and continue as a going concern. If the Company is unable to achieve profitability, its share price may decline and the Company may require additional financing, which may not be available to the Company and may cause the Company to discontinue operations. If the Company discontinues operations, shareholders could lose their entire investment.

Limited Market for Securities

Upon completion of the Change of Business, the Company's common shares will be listed on the CSE; however, there can be no assurance that an active and liquid market for the Company's shares will develop or be maintained or that the market price of the Company's common shares will not decline below the price of the Financing Units.

In addition, the sale by shareholders of a significant number of common shares in the public market could cause the market price of the Company's shares to fall. The perception among investors that such sales will occur could also produce this effect.

Additional Funding Requirements

Although the Company believes it will have sufficient funds upon completion of the Change of Business Financing to funds its Change of Business and the development and manufacture of its ASIC Chips and Mining Rigs for a period of 12 months, the Company may need to raise additional funds through public or private debt or equity financings in the future to fund ongoing operations, take advantage of opportunities, including more rapid expansion of the business or the acquisition of complementary products, technologies or businesses, develop new products, respond to competitive pressures and for general corporate and working capital purposes. Any additional capital raised through the sale of equity will dilute the percentage ownership of the Company of each shareholder and such dilution may be significant. Capital raised through debt financing would require the Company to make periodic interest payments and may impose restrictive covenants on the Company's conduct of its business. Furthermore, there is no assurance that the Company will be successful in obtaining the required financing for these or other purposes when needed on reasonably commercial terms or at all. A failure to obtain additional financing could prevent the Company from making expenditures that may be required to grow or maintain its operations.

Conflicts of Interest

Certain of the officers and directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dividends

To date, the Company has not paid any dividends on its common shares and does not expect to do so following the Change of Business for the foreseeable future. The Company intends to retain any future earnings to finance the future development and expansion of its business. Any future determination about the payment of dividends will be made at the discretion of the Board based on the Company's earnings, capital requirements, operating and financial conditions and on such other factors the Board deems relevant.

Upon Closing of the Change of Business Financing, APMS will have significant influence over the Company`s affairs.

Upon Closing of the Change of Business Financing, APMS is expected to own approximately 12.97% of the Company's issued and outstanding shares and consequently will have the ability to exercise significant influence over matters generally requiring stockholder approval, including the election of directors and the approval of significant corporate transactions. In addition, under the Financing Subscription Agreement, APMS will have the right to appoint one nominee to the Board as well as the Aracore Board and other preferential rights for a minimum of three years after Closing and thereafter for so long as APMS owns 10% or more of the Company's issued shares. See Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Financing Subscription Agreement*".

An investor may be unable to bring actions or enforce judgments against the Company and certain of its directors and officers.

The Company is incorporated under the BCBCA and our principal executive offices are located in Vancouver, Canada. The majority of the Company's directors and officers, and the Company's independent auditor, reside outside of the United States and all or a substantial portion of the Company assets and the assets of these persons are located outside the United States. Consequently, it may not be possible for an investor to effect service of process within the United States on the Company or those persons. Furthermore, it may not be possible for an investor to enforce judgments obtained in United States courts based upon the civil liability provisions of United States federal securities laws or other laws of the United States against those persons or the Company.

The acquisition of, investment in and disposition of the Company's common shares and other securities has tax consequences.

Prospective investors should be aware that the acquisition, holding and/or disposition of the Company's common shares and other securities has tax consequences both in the United States and Canada that are not described herein.

Purchasers should consult their own tax advisors with respect to the tax consequences of the acquisition, ownership, and disposition of the Company's common shares and other securities as may be applicable to their particular circumstances.

Cryptoasset Risks

Acceptance and/or widespread use of cryptocurrency is uncertain

To date, bitcoin and other cryptoassets have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets thus limiting the ability of end-users to use them to pay for goods and services. Conversely, a significant portion of the demand for cryptocurrencies is being generated by speculators and investors seeking to profit from trading or investing in cryptocurrencies. Such speculation has lead to increased price volatility which could adversely impact the demand for cryptocurrencies and consequently the demand for the Company's ASIC Chips and Mining Rigs used to mine them.

Further development and acceptance of cryptoassets is subject to a variety of factors that are difficult to predict.

The use of cryptoassets to, inter alia, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry. The growth of this industry is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of cryptoassets and, in particular, bitcoin will likely have a direct adverse impact on the Company's operations. Factors affecting the further development of the cryptoasset industry, include, but are not limited to, the continued growth in the adoption and use of cryptoassets on a worldwide basis, governmental regulation of or restrictions on the use of cryptoassets or access to and operation of cryptocurrency systems and networks; consumer sentiment and perception of bitcoin and other cryptoassets and changes in consumer demographics, public tastes and preferences including the availability and popularity of other forms or methods of buying and selling goods and services, continued volatility in the trading price of cryptocurrencies and general economic conditions.

The Company's growth is dependent on the development and growth of the market for bitcoin and other cryptoassets.

The market for bitcoin and other cryptoassets and the blockchain technology underpinning such assets is still emerging and the market demand, price sensitivity and preferred business model for delivering the ASIC Chips and Mining Rigs required to mine bitcoin and other cryptoassets remain highly uncertain. As such, the Company's growth will be dependent on, among other things, the size and pace at which the market for ASIC Chips and Mining Rigs develops (which, in turn, is largely dependent upon the continued growth and demand for cyrptoassets and blockchain technology). If this market does not gain widespread acceptance and declines, remains constant or grows more slowly than anticipated, the Company may not be able to grow, and its overall revenues and operating results will be materially and adversely affected. In addition, other competing technologies may be developed that have advantages over the Company's products, and manufacturers of other products based on these competing technologies may be able to deploy their products at a lower cost enabling them to compete more effectively.

Regulatory changes or actions may restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations.

The recent and rapid growth in the popularity and market size of bitcoin and other cryptocurrencies have governments around the world grappling with the issue of if and how these digital currencies should be regulated. Future legislation or regulatory action or restriction on the use or trading of bitcoin and other cryptocurrencies may reduce their demand and consequently the demand for the Company's ASIC Chips and Mining Rigs used to mine bitcoin and other cryptocurrencies.

The effect of any future regulatory changes on cryptocurrencies and consequently the demand for the Company's products is impossible to predict, but such change could be substantial and adverse to the Company. Governments may in the future restrict or prohibit the acquisition, use, trading or redemption of cryptocurrencies or the exchange of cryptocurrencies into fiat currency. Any material restriction or prohibition in the use of cryptocurrencies would likely result in a significant reduction in the demand for the Company's ASIC Chips and Mining Rigs and in turn the Company's ability to continue to operate.

If the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have adequate incentive to continue mining and may cease mining operations.

As the number of coins awarded for solving a block in the blockchain decreases, the award of coins for solving blocks and transaction fees may no longer be sufficiently high to incentivize miners to continue contributing processing power to the network resulting in some miners ceasing operations entirely. A significant drop in the number of miners mining bitcoin and other cryptocurrencies would likely reduce the overall demand for ASIC Chips and Mining Rigs. Any reduction in the demand of ASIC Chips and Mining Rigs could adversely affect sales of the Company's products and have a negative impact (which could be significant) on the Company's business, results of operations and financial condition.

Company Risks

The Company's success depends on its ability to develop its products and execute product roll-outs on a basis that meets customer requirements.

The market for the Company's products is characterized by rapidly changing technology, evolving industry standards and increasingly complicated customer requirements which can quickly render existing products obsolete, unmarketable and exert downward pressures on prices. The Company's success will therefore be dependent on its ability to anticipate and quickly react to changes in technology or industry standards and successfully develop and introduce new, enhanced and competitive products on a timely basis. In particular, the acceptance and future success of the Company's products will depend on, among other things, the ability of such products to provide increased computing power (i.e. hash rate) and lower energy costs, their reliability and security, and their cost-effectiveness compared to competitive products. There are no assurances that the Company will successfully develop new products or enhance and improve existing products, that new or enhanced and improved products will achieve market acceptance, or that the introduction of new products or enhanced products by others will not render the Company's products obsolete. If the Company cannot develop products that are competitive in technology and price and that meet customer needs, the Company's business, financial condition and results of operations will be adversely affected. Accelerated product introductions and short product life cycles require high levels of expenditure for research and development that could adversely affect the Company's operating results and need for additional capital. Further, any new products could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. Also, if the Company subsequently decides to cease or discontinue development on a future product that it determines does not have sufficient potential after having already invested significant resources, the Company's prospects may suffer as such expended resources will not provide a return on investment and the Company may have missed the opportunity to have allocated those resources to potentially more productive uses. This may negatively impact the Company's business, operating results and financial condition.

In addition, if a new product does achieve market acceptance, the Company will likely need to adapt its supply chain rapidly in order to meet customer expectations and demand. Constraints caused by component suppliers and outsourced manufacturers can slow the pace of new product rollouts, adversely affecting the Company's business, financial condition and results of operations.

As the Company develops new products, its older products will reach the end of their lives. To this end, the Company will need to manage the liquidation of inventory, supplier commitments and customer expectations for discontinued products which could result in inventory write-off and increased cost of sales further negatively impacting the Company's business, financial condition and results of operations.

If the Company is unable to attract and retain key personnel it may not be able to execute its business strategy.

The Company's operations after the Change of Business will be highly dependent on the abilities, experience and efforts of a number of key personnel, including Simon Moore, the Company's President and Chief Executive Officer and Peter Kim, the President of Aracore. Should either of these persons or other key employees be unable or unwilling to continue with the Company, the Company's ability to

execute its business strategy may be adversely affected. In addition, the Company's success will be highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified management, technical and sales and marketing personnel. Competition for such personnel is intense and the Company may not be able to attract and retain the personnel necessary for the development of its business. Other than the Company's executive contractor agreement with Kim, the Company's relationship with its other key employees is "at will." Also, the Company does not have "key person" life insurance policies covering any of its employees. The inability to attract or retain qualified personnel in the future or delays in hiring skilled personnel could harm the Company's relations with its customers and suppliers, which could prevent the Company from executing its business strategy and have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, unexpected spikes in demand for the Company's products could place a strain on managerial, financial and human resources. Any failure by the Company to effectively manage its managerial, financial and human resources to meet the demand, if any, for its products may result in lost sales or customers harming the Company's business, reputation, financial condition and results of operations.

The Company intends to rely on third party suppliers to supply components for its products thereby exposing the Company to supply risks.

The ability of the Company to manufacture and assemble its products will depend on obtaining adequate supplies of components on a timely basis. The Company's expects to source several key components to be used in the manufacture of its ASIC Chips and Mining Rigs from a limited number of suppliers, and in some instances, a single source supplier.

In addition, these components will likely be acquired through purchase orders and without long term commitments regarding supply or pricing from suppliers. Lead-times for various components may lengthen, which may make certain components scarce. As component demand increases and lead times become longer, the Company's suppliers may increase component costs. The Company will also be highly dependent on anticipated product orders to determine its materials requirements. Lead-times for limited-source materials and components can be many months, vary significantly and depend on factors such as the specific supplier, contract terms and demand for a component at a given time. Shortages in allocations of components could result in delays in filling orders and impede the Company's ability to meet customer orders and delivery schedules. In addition, any one or more single source or limited source suppliers could stop producing the components, cease operations entirely, or be acquired by, or enter into exclusive arrangements with, the Company's competitors. Any such interruption, delay or inability to obtain these components from alternate sources at acceptable prices and within a reasonable amount of time would adversely affect the Company's ability to meet scheduled product deliveries to customers and reduce margins realized.

Alternative sources of components may not always available or available at acceptable prices. In addition, at least initially, the Company will have limited control over the quality, reliability and availability of the components supplied to it. If the Company cannot manufacture or assemble its products due to a lack of components, or is unable to redesign its products with other components in a timely manner the Company could lose customers to competitors and its business, results of operations and financial condition would be adversely affected.

The Company will be reliant upon outsourced manufacturers for manufacturing and assembling its products subjecting the Company to significant operational risks which could impair its ability to deliver products to customers.

The Company will not have any internal manufacturing capabilities and intends to rely upon a small number of outsourced manufacturers to manufacture and assemble its products thus exposing the Company to a variety of risks including:

- less management and control of component purchases;
- less control over delivery schedule and quality assurance;
- less control over manufacturing yields;

- lack of adequate capacity during periods of excess demand;
- lack of certainty over product supply and pricing on a long-term basis
- risk of early termination of, or failure to renew contractual arrangements;
- limited warranties on products supplied to the Company;
- potential price increases;
- supply interruption due to fire, natural calamity, strike or other risks; and
- misappropriation of intellectual property.

Insufficient supply or an interruption or stoppage of supply or the Company's inability to obtain additional manufacturers when and if needed, could have a material adverse effect on the Company's business, results of operations and financial condition.

If any of the Company's outsourced manufacturers are unable or unwilling to continue manufacturing its products in required volumes and quality levels, the Company will need to identify, vet, select and implement acceptable alternative manufacturers, which would likely be time consuming and costly. In addition, there are no assurances that an alternate manufacturer will be available to the Company or in a position to satisfy the Company's production requirements at commercially reasonable prices and quality.

The availability of the Company's contract manufacturers and the amount and timing of resources to be devoted by them to the Company's products is not within the Company control. There are no assurances that the Company will not encounter manufacturing or assembly problems or delays that would materially harm its business. The loss of one of the Company's contract manufacturers, a significant price increase, an interruption of supply or the inability to obtain additional or an alternative manufacturer or assembler when and if needed would impair the Company's ability to deliver products to its customers leading to a material adverse effect on the Company's business, results of operations and financial condition.

The Company's sales cycle could be lengthy and variable.

As a start-up, it is difficult for the Company to predict the anticipated timing of revenue from sales of products. Potential customers typically invest substantial time, money and other resources researching their needs and available competitive alternatives before deciding to purchase products and services. Typically, the larger the potential sale, the more time, money and other resources will be invested by customers. As a result, it may take many months after the Company's first contact with an end-customer before a sale can actually be completed. In addition, the Company will be heavily reliant on the Distributor to market and sell the Company's products to customers and, therefore, future sales are at risk of delays at both the Distributor and the end-customer levels.

During these long sales cycles, events may occur that affect the size or timing of the order or even cause it to be cancelled, including, but not limited to, the postponement or reduction or large purchase orders during periods of economic uncertainty, the announcement or introduction of new products or services by competitors, the offer of lower prices by competitors on similar products and changes in budgeting and purchasing priorities of customers. If these events were to occur, sales of the Company's products could be cancelled or delayed, which would reduce the Company's revenue.

Future revenue opportunities through the Distributor is uncertain.

The Company intends to engage the Distributor on an exclusive basis to market, promote, sell and distribute its products worldwide. As such the Company will be almost entirely reliant on the Distributor's ability to establish and develop new relationships and to build on existing relationships with sub-distributors, re-sellers and agents to sell the Company's products. There are no assurances that the Distributor will be successful in building or maintaining such relationship or that the Distributor and its sub-distributors, re-sellers and agents (collectively "**Channel Partners**") will act in a manner that promotes the success of the Company's products. Failure by the Company's Channel Partners to promote and support the Company's products will adversely affect the Company's business, results of operations and financial condition.

Although the Distributor Agreement is expected to contain restrictions on the ability of the Distributor to sell competing products, such restrictions will be subject to certain performance criteria on the part of the Company. If the Company fails to meet such performance criteria and the Distributor is free to sell competing products there may be pressure on the Company to reduce its prices or increase commissions payable to its Channel Partners if competitors offer their products to the Channel Partners on more favorable terms or have more products available to meet their needs, failing which the Channel Partners may stop carrying the Company's products or de-emphasize the sale of Company products in favor of competitor products.

The Company believes that the Channel Partners will exert significant influence on customer purchasing decisions, especially purchasing decisions by large miners or mining pools. In particular, large miners or mining pools may adopt strategies to limit the number of equipment vendors or suppliers for their mining farms, or only contract with suppliers that offer ''end to end'' solutions, for operational purposes. This approach may reduce the Company's opportunities to sell to large miners or mining pools. Mergers and consolidations among distributors, re-sellers and other agents within the cryptocurrency industry could also disrupt the Company's sales channels, particularly if a merger partner introduces its own internal ASIC Chips and Mining Rigs into one of the Company's established Channel Partners.

The Company is also exposed to developments in its Channel Partners' businesses. Competition in the ASIC Chips and Mining Rig market is intense. Channel Partners may be unable to maintain or improve their market position or respond successfully to changes in the competitive environment. To the extent that the Company's business depends on its Channel Partners, the failure of its Channel Partners to adopt successful strategies and grow their own businesses will have a material adverse effect on the Company's business, results of operations and financial condition.

Failure to accurately predict manufacturing requirements could result in the Company incurring additional costs or manufacturing delays, which could reduce the Company's gross margins or result in lost sales.

The Company intends to provide forecasts of its demand to its contract manufacturers and component suppliers prior to the scheduled delivery of products to customers. If the Company overestimates its requirements, the Company's contract manufacturers may have excess component inventory leading to increased costs of sales. If the Company underestimates its requirements resulting in inadequate component inventory, the ability of the Company's contract manufacturers to manufacture and assemble the Company's products could be delayed resulting in lower product margins and revenue. In addition, lead times for the Company's materials and components may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. As such the Company may also experience shortages of components from time to time, which also could delay the manufacturing of its products or increase the Company's costs of sales.

The Company's need for working capital will intensify if the demand for products intensifies.

A marked increase in demand for the Company's products through new customers or otherwise would increase the Company's need for working capital to the supply the number of products needed to satisfy such demand. Spikes in demand could strain the Company's financial and other resources. To the extent that the Company's working capital funding requirements exceed its financial resources, the Company will need to seek additional sources of debt or equity financing to support its working capital needs. Such additional financing may not be available on terms favorable to the Company or at all. A failure to obtain additional financing could prevent the Company from making expenditures that may be required to respond effectively to an increase in demand for its products.

The Company's future revenue and operating results will be difficult to predict and could fluctuate substantially.

As a new entrant into the cryptocurrency data mining infrastructure and systems technology industry, the Company's future revenue, if any, is difficult to forecast, is likely to fluctuate significantly and may not follow past trends or be indicative of the Company's future performance from quarter to quarter. The

Company's future revenue, if any, and results will be influenced by a variety of factors, many of which are outside of the Company's control, including:

- competitive conditions within the industry including changes to technologies, new products and pricing by competitors;
- market acceptance of the Company's products;
- the Company's ability to maintain existing relationships and to create new relationships with channel partners;
- varying size, timing and contractual terms of orders for products, which may delay the recognition of revenue;
- the discretionary nature of purchase and budget cycles of the Company's customers and changes in their budgets for, and timing of, equipment purchases;
- strategic decisions by the Company or its competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- general weakening of the economy resulting in a decrease in the overall demand for ASIC Chips and Mining Rigs or otherwise affecting the capital investment levels of miners;
- timing of product development and new product initiatives; and
- the length and variability of the sales cycles for the Company's products.

Delays or reductions in the amount or cancellations of customers' purchases would adversely affect the Company's business, results of operations and financial condition.

The Company's success will be dependent on its ability to successfully implement effective cost controls or reductions.

The Company's future success will depend on both generating and growing revenues and its ability to effectively control and/or reduce costs. There is no guarantee that the Company will be able to successfully implement effective cost control systems or otherwise reduce its operating costs as necessary. If the Company is unable to successfully control its operating costs, it may be forced to discontinue operations.

The Company faces competition from companies that have greater resources and may not be able to effectively compete against these companies.

The Company will be operating in a highly competitive industry. The Company's primary competitors for the ASIC Chips and Mining Rig include Bitmain, Bitfury, Canaan Creative, Ebang communications and a number of other competitors. The principal competitive factors in the cryptomining infrastructure space include product speed and performance, features and reliability, price, brand recognition and product availability and lead times.

Most of the Company's competitors are already established with a wider variety of products, longer operating histories, greater name and brand recognition, larger customer bases and significantly greater financial, technical, sales, marketing and other resources than the Company. In addition, as a result of the large volume of components that many of the Company's competitors purchase from their suppliers, they are able to keep their supply costs relatively low and, as a result, may be able to recognize higher margins on their product sales than the Company. Many of the Company's competitors will already have existing relationships with the contract manufacturers and Channel Partners that the Company intends to use to sell its products, or with the Company's potential customers. This competition may result in reduced prices, reduced margins and longer sales cycles for the Company's products. The introduction of lower-priced ASIC Chips and Mining Rigs, combined with the brand strength, more product offerings to address shifting demand, extensive distribution channels and financial resources of the larger competitors, could hamper the Company's ability to gain market share and reduce profit margins on the ASIC Chips and Mining Rigs that it does sell. If any of the Company's larger competitors were to commit greater technical, sales, marketing and other resources to the Company's markets, the Company's ability to compete would be adversely affected. If the Company is unable to successfully compete with its competitors the Company's sales will suffer and as a result its financial condition will be adversely affected.

The Company may be required to reduce its prices from time to time in response to intense competition.

The intensely competitive market in which the Company is entering may require the Company to reduce its prices from time to time. If the Company's competitors offer deep discounts on certain products in an effort to recapture or gain market share or to sell other products, the Company may be forced to lower its prices or offer other favorable terms to successfully compete. Any such changes could reduce the Company's margins and adversely affect its operating results.

If the Company is unable to obtain any third-party license required to develop its products and product enhancements, its business, financial condition and results of operations could be seriously harmed.

From time to time, the Company may require third party technology licenses to develop new products or product enhancements. Third-party licenses may not be available to the Company on commercially reasonable terms or at all or may require the Company to secure substitute technology of lower quality or performance standards, or at greater cost, which could seriously harm its business, financial condition and results of operations.

The Company will need to respond quickly and effectively to new technological developments, failing which the Company's business, financial condition and results of operation could suffer.

Any failure by the Company to maintain its technological capabilities or to respond effectively to technological changes could adversely affect its business, results of operations or financial condition. The Company's future success will also depend on its ability to enhance existing products and respond to changing technological developments. If the Company is unable to successfully develop and bring new hardware and systems to market in a timely manner, competing technologies or products may render the Company's products non-competitive or obsolete.

If the Company's does not adequately protected its intellectual property, its competitive position will be harmed.

The Company's success will depend in part on its ability to protect its intellectual property. The Company intends to rely on various intellectual property protections, including patents, copyright, trade-mark and trade secret laws and contractual provisions, to preserve its intellectual property rights. However, the Company's protective measures may not be adequate or enforceable to prevent misappropriation of its technology or to prevent a third party from developing the same or similar technology. Despite such precautions, it may be possible for third parties to obtain and use the Company's intellectual property without authorization. Policing unauthorized use of intellectual property is difficult, and some foreign laws and jurisdictions do not protect proprietary rights to the same extent as the laws of Canada or the United States.

Protecting the Company's intellectual property may involve in litigation, which could result in substantial expenses, divert management's attention, cause significant delays, materially disrupt the conduct of the Company business or adversely affect its revenue, financial condition and results of operations.

If the Company infringes on the intellectual property rights of others its business may be harmed.

In recent years, there has been a significant increase in litigation in both in Canada and abroad involving patents and other intellectual property rights. While the Company does not believe its ASIC Chips or Mining Rigs will infringe on the proprietary rights of third parties, there can be no assurance that third parties will not claim such infringement by the Company or its Channel Partners with respect to the Company's products currently under development or future products. Claims for alleged infringement and any resulting lawsuit, if successful, could subject the Company to significant liability for damages and invalidation of the Company's intellectual property rights. Any such claims, with or without merit, could be time consuming, expensive to defend, cause product shipment delays or require the Company to enter into royalty or licensing agreements, any of which could delay the development and commercialization of the Company's products or reduce its margins. If the Company is unable to obtain a required license, its ability to sell or use certain products may be impaired. In addition, if the Company fails to obtain a license,

or if the terms of the license are burdensome, the Company's operations could be materially harmed.

Defects in the Company's products could result in significant costs and impair the Company's ability to sell.

The Company's products will be technologically complex and sophisticated and, accordingly, may contain defects or errors, particularly when first introduced or as new generations are released. The Company may not discover such defects or errors until after a product has been released and used by end-customers. Defects and errors in the Company's products could materially and adversely affect the Company's reputation, result in significant costs, delay planned release dates and impair the Company's ability to sell its products in the future. The costs incurred by the Company in correcting any product defects or errors (including warranty claims) may be substantial and could adversely affect the Company's operating margins. While the Company plans to continually test its products for defects and errors and work with customers through its post-sales support services to identify and correct defects and errors, future defects or errors in the Company's products may still exist.

A successful product liability claim against the Company could result in significant monetary liability to Company thereby seriously harming its business.

Security breaches and other disruptions could compromise the Company's information and expose it to liability, which would cause the Company's business and reputation to suffer.

In the ordinary course of its business, the Company will store sensitive data, including intellectual property and proprietary business information and that of the Company's customers and suppliers, and personally identifiable information of the Company's customers and employees, in the Company's data centers and on its networks. The secure maintenance of this information is critical to the Company's operations. However, despite its security measures, the Company's information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions which could compromise its networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, disrupt the Company's operations, damage its reputation, and cause a loss of confidence in its products, which could adversely affect the Company's business, revenues and competitive position.

The Company may be adversely affected by credit risk.

The Company will be exposed to credit risk for accounts receivable in the event that counterparties do not meet their obligations. The Company will attempt to mitigate this credit risk to the extent possible by requiring up-front deposits and strict payment terms; however, both economic and geopolitical uncertainty can influence the ultimate collectability of these receivable amounts. Failure to collect outstanding receivables could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company may be adversely affected by currency fluctuations.

The Company anticipates that the majority of its revenue, if any, will be earned in U.S. dollars while its direct costs of sales will be incurred in various foreign currencies and its general operating expenses incurred in Canadian dollars. Fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar and other currencies, may have a material adverse effect on the Company's business, financial condition and operating results. Initially, the Company does not intend to engage in currency hedging schemes but will attempt to hedge or mitigate the risk of currency fluctuations by actively monitoring and managing its foreign currency holdings relative to its foreign currency expenses.

International sales and operations will subject the Company to additional risks that can adversely affect operating results.

The Company's business model is to sell its products around the world in jurisdictions where miners and mining pools are building new mining farms or expanding existing ones, and therefore its sales and operations will, in effect, be global in nature. Future international operations will subject the Company to a variety of risks including increased travel, infrastructure and legal compliance costs associated with multiple international locations, increased time and costs to manage and evolve financial reporting systems, maintain effective financial disclosure controls and procedures, and comply with corporate governance requirements in multiple jurisdictions, increased exposure to global social, political and economic instability, and changes in economic conditions, potential increased exposure to liability or damage of reputation resulting from a higher incidence of corruption or unethical business practices in some countries, difficulties in enforcing contracts, collecting accounts receivable and longer payment cycles, especially in emerging markets, the need to localize products and licensing programs for international customers, tariffs, trade barriers, compliance with customs regulations and other regulatory or contractual limitations on the Company's ability to sell or develop its products in certain foreign markets and reduced protection and limited enforcement for intellectual property rights in some countries.

The Company's products will also need to function in and meet the requirements of many different environments and be compatible with various systems and products. If the Company's products fail to meet these requirements, this could negatively impact sales and have a material adverse effect on the Company's business, results of operation and financial condition.

In addition, as the Company begins to generate revenues through its international sales efforts, this may impact the Company's current tax status or result in assessments by domestic or foreign tax authorities adversely impacting the Company's operating results.

The Company may be negatively affected by geopolitical uncertainty or a general global economic downturn.

The market for the Company's products will depend, in part, on geopolitical conditions affecting the broader market. Acts of terrorism and the outbreak of hostilities, wars or armed conflicts between countries can create geopolitical uncertainties that may affect the global economy. Downturns in the economy or geopolitical uncertainties may cause the Company's customers to delay or cancel projects, reduce their overall capital or operating budgets or reduce or cancel orders for products, which could have a material adverse effect on the Company's business, results of operations and financial condition.

Likewise, a general global economic downturn may negatively affect the Company's customers and their ability to purchase products. A downturn may decrease revenues and increase costs, increase credit risk with customers and impact the Company's ability to collect accounts receivable and recognize revenue.

An economic downturn may also intensify some of the other risks that affect the Company's business, results of operations and financial condition including reduced demand for products, increased price competition or deferment of purchases and orders by customers.
These above risks should be considered within the context of the Company's proposed Change of Business.

21. Promoters

Other than the Company's executive officers and directors, there is no individual or company that is, or has been within the two years immediately preceding the date of this Listing Statement a "promoter" (as defined under applicable securities legislation) of the Company or a subsidiary of the Company.

22. Legal Proceedings

As of the date of this Listing Statement, neither the Company nor Aracore is a party to, nor is any of their property the subject matter of, any material legal proceedings or regulatory actions, and no such proceedings or actions are known by management of the Company to be contemplated or pending.

23. Interest of Management and Others in Material Transactions

Other than as disclosed elsewhere in this Listing Statement, management of the Company is not aware of any material interest, direct or indirect, of any director or executive officer of the Company, any person or company that, to management's knowledge, is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the common shares of the Company, or any associate or affiliate of the foregoing persons or companies, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or is reasonably expected to materially affect the Company or any subsidiaries.

24. Auditors, Transfer Agents and Registrars

The auditor of the Company is DeVisser Gray LLP, Chartered Professional Accountants, of 401 – 905 West Pender Street, Vancouver, B.C. V6C 1L6.

The transfer agent and registrar for the common shares of the Company is TSX Trust Company, of #2700 - 650 West Georgia Street, Vancouver, B.C. V6B 4N9.

25. Material Contracts

Save and except as set out below, neither the Company nor Aracore has entered into any material contracts other than in the ordinary course of business within the two years before the date of this Listing Statement:

- the Aracore Shareholder Agreement between the Company, Kim and Aracore governing the rights and obligations of the Company and Kim as shareholders of Aracore as more particularly described in Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Aracore Shareholder Agreement*".

- the Technology Development Agreement between Aracore and the Development Company with respect to the front-end design and development of ASIC Chips as more particularly described in Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Technology Development Agreement*".

- the Design Service Agreement between Aracore and the Design Service Firm with respect to the back-end design, testing and manufacture of ASIC Chips as more particularly described in Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Design Service Agreement*".

- the Financing Subscription Agreement to be entered into between the Company and the Lead Subscriber pursuant to which the Lead Subscriber will subscribe for, subject to certain conditions, Financing Units of the Company pursuant to the Change of Business Financing as more particularly described in Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Financing Subscription Agreement*".

- the Distributor Agreement to be entered into between Aracore and the Distributor with respect to the marketing, sale and distribution of the Company's ASIC Chips and Mining Rigs as more particularly described in Item 7 "*Narrative Description of the Change of Business – Summary of Change of Business Transaction Documents – Distributor Agreement*".

26. Interest of Experts

DeVisser Gray LLP, Chartered Professional Accountants, prepared the auditor's report for the audited financial statements of the Company for the fiscal years ended October 31, 2017, October 31, 2016 and October 31, 2015 included in this Listing Statement. DeVisser Gray LLP, the Company's auditor, is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

To the knowledge of the Company, neither DeVisser Gray LLP nor any of their Associates or Affiliates, beneficially owns, directly or indirectly, any securities of the Company, has received or will receive any direct or indirect interests in the property of the Company or is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any Associate or Affiliate thereof.

27. Other Material Facts

To the knowledge of management of the Company, there are no other material facts relating to the Company, the Change of Business or the securities of the Company that are not disclosed in this Listing Statement or the Financial Statements included herein and are necessary for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities, assuming completion of the Change of Business.

28. Financial Statements

The following Financial Statements of the Company are attached to and form an integral part of this Listing Statement:

1. the condensed interim unaudited financial statements of the Company for the three and six month periods ended April 30, 2018; and

2. the audited financial statements of the Company for the fiscal years ended October 31, 2017, October 31, 2016 and October 31, 2015.

Copies of the Financial Statements and the accompanying management's discussion and analysis thereon are also available for review on SEDAR at www.sedar.com and on the CSE website.

SQUIRE MINING LTD.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended April 30, 2018

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

SQUIRE MINING LTD.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

ASSETS

	As at April 30, 2018	As at October 31, 2017
Current		
Cash and cash equivalents	$ 92,021	$ 533,056
Amounts receivable	12,576	7,003
Investment – Note 5	172,000	-
Prepaid expense – Note 10	15,750	3,150
	292,347	543,209
License – Note 7	225,000	-
Exploration and evaluation assets – Note 6	133,388	78,653
	$ 650,735	$ 621,862

LIABILITIES

Current		
Accounts payable – Note 10	$ 58,479	$ 98,191
Accrued liabilities	45,200	9,447
	103,679	107,638

SHAREHOLDERS' EQUITY

Share capital – Note 8	1,621,428	903,738
Reserve	582,883	99,850
Accumulated deficit	(1,657,255)	(489,364)
	547,056	514,224
	$ 650,735	$ 621,862

Nature of Operations and Going Concern – Notes 1 and 2(b)
Subsequent Events – Note 13

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Simon Moore"	Director	*"Garry Stock"*	Director
Simon Moore		Garry Stock	

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended April 30,		Six months ended April 30,	
	2018	2017	2018	2017
General and administrative expenses				
Accounting and audit fees	$ -	$ 500	$ 2,000	$ 1,800
Administration services – Note 10	5,867	-	19,823	-
Bank charges	1,660	133	2,554	300
Consulting fees – Note 10	124,190	-	359,978	-
Insurance	10,000	-	10,000	-
Legal fees	39,415	-	70,734	-
Management fees – Note 10	57,500	-	110,000	-
Office and miscellaneous	6,608	217	22,831	1,640
Regulatory filing fees	5,265	3,680	7,715	5,180
Rent	3,000	-	6,000	-
Share-based payments – Notes 8 and 10	90,000	-	448,333	-
Transfer agent fees	100	275	4,938	1,664
Travel	79,282	100	124,485	100
Loss before other item	(422,887)	(4,905)	(1,189,391)	(10,684)
Other item:				
Project investigation costs	-	2,663	-	(46,545)
Unrealized gain on investments	21,500	-	21,500	-
Net loss and comprehensive loss for the period	$ (401,387)	$ (2,242)	$ (1,167,891)	$ (57,229)
Basic and diluted loss per common share	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.00)
Weighted average number of common shares outstanding	37,016,584	22,152,001	37,016,584	22,152,001

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Six months ended April 30, 2018	Six months ended April 30, 2017
Operating Activities		
Net loss for the period	$ (1,167,891)	$ (57,229)
Items not involving cash:		
Unrealized gain on investment	(21,500)	-
Share-based payments	448,333	-
Changes in non-cash working capital items related to operations:		
Amounts receivable	(5,573)	348
Prepaid expenses	(12,600)	-
Accounts payable	(39,712)	(19,607)
Accrued liabilities	35,753	(10,000)
	(763,190)	(86,488)
Investing Activities		
License	(225,000)	-
Investment	(150,500)	-
Exploration and evaluation costs	(54,735)	(13,528)
	(430,235)	(13,528)
Finance Activity		
Shares issued for cash	752,390	-
	752,390	-
Decrease in cash during the period	(441,035)	(100,016)
Cash and cash equivalents, beginning of the period	533,056	297,169
Cash and cash equivalents, end of the period	$ 92,021	$ 197,153
Cash and cash equivalents consist of:		
Cash	$ 84,521	$ 231,416
Cash held in trust	7,500	1,300
	$ 92,021	$ 232,716
Non-cash cash investment activities:		
Accounts payable	$ -	$ 3,528
Exploration and evaluation asset	$ -	$ (3,528)

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the periods ended April 30, 2018 and 2017
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Common Shares	Amount	Reserve	Deficit	Total
Balance, October 31, 2016	22,152,001	$ 537,838	$ 73,750	$ (270,465)	$ 341,123
Net loss for the period	-	-	-	(57,229)	(57,229)
Balance, April 30, 2017	22,152,001	$ 537,838	$ 73,750	$ (327,694)	$ 283,894
Balance, October 31, 2017	28,921,167	$ 903,738	$ 99,850	$ (489,364)	$ 514,224
For cash:					
Private placement - $0.06	10,133,333	608,000	-	-	608,000
Stock options - $0.10	250,000	25,000	-	-	25,000
Stock warrants - $0.12	500,000	60,000	-	-	60,000
Stock warrants - $0.08	430,000	34,400	-	-	34,400
Stock warrants - $0.15	166,600	24,990	-	-	24,990
Share issue cost					
Agent's units - $0.06	560,000	-	-	-	-
Fair value of warrants attached to agent's units	-	(67,200)	67,200	-	-
Fair value on stock options exercised	-	32,500	(32,500)	-	-
Share-based payments	-	-	448,333	-	448,333
Net loss for the period	-	-	-	(1,167,891)	(1,167,891)
Balance, April 30, 2018	40,961,100	$ 1,621,428	$ 582,883	$ (1,657,255)	$ 547,056

SEE ACCOMPANYING NOTES

Note 1 Nature of Operations

The Company is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange ("CSE"). On March 18, 2015, the Company received a receipt from the BCSC, ASC and OSC for its initial public offering ("IPO") dated March 17, 2015 and become a reporting issuer in British Columbia, Alberta and Ontario. On June 12, 2015, the Company completed its IPO and commenced trading on June 16, 2015 under the trading symbol "SQR".

Squire Mining Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 23, 2011. On January 13, 2015 the Company changed its name from 0906251 B.C. Ltd. to Squire Mining Ltd.

The address of the Company's corporate office and principal place of business is c/o Suite 404 – 815 Hornby Street, Vancouver, BC, V6Z 2E6 and the address of its records office is Suite 650 – 1188 West Georgia Street, Vancouver, BC, V6E 4A2.

The Company has an option agreement to earn an interest in a mineral property located near Quesnel, British Columbia (Note 5) and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts from the property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

The Company is also investigating technology acquisitions. In this regard the Company also has entered into an agreement for an 18% interest in a license to commercially exploit a patented communication technology (Note 6). Activities utilizing this license had not commenced at April 30, 2018.

Note 2 Basis of Preparation

a) Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting and which were in effect as of April 30, 2018.

The condensed interim financial statements were authorized for issue by the Board of Directors on June 28, 2018.

Note 2 Basis of Preparation – (cont'd)

b) Going Concern

The Company has not generated revenue from operations and incurred a net loss of $1,167,891 for the period ended April 30, 2018, has accumulated a deficit at April 30, 2018 of $1,657,255 and expects to incur further losses in the development of its business. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for mineral properties is dependent upon the confirmation of economically recoverable reserves and its ability to obtain adequate financing to develop its mineral properties, and to commence profitable operations in the future, all of which casts significant doubt about the Company's ability to continue as a going concern.

These 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 as a going concern.

c) Basis of Measurement

These financial statements have been prepared using the historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Note 3 Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at October 31, 2017. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2017. The following accounting policies are those materially relevant policies that have become effective for the Company subsequent to October 31, 2017.

Note 3 Significant Accounting Policies – (cont'd)

Intangible assets

Intangible assets consist of an interest in an exclusive eight-year license acquired externally and are recorded at cost less accumulated amortization and impairment losses. The intangible assets will be amortized on a straight-line basis over 8 years commencing February 1, 2018.

Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet certain criteria for deferral and amortization. The Company assesses whether it has met the relevant criteria for deferral and amortization at each reporting date.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Note 3 Significant Accounting Policies – (cont'd)

Accounting standards and amendments issued not yet effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 9, *Financial Instruments (effective for reporting periods beginning on or after January 1, 2018)* introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 16 *Leases* establishes a single lease accounting model requiring lessees to recognize assets and liabilities for all leases unless the leases term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting in IFRS 16 substantially unchanged from the predecessor standards IAS 17 Leases. The standard replaces IAS 17 Leases and related interpretations. This standard is effective for reporting periods beginning on or after January 1, 2019.

Note 4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Estimates

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

Note 4 Use of Estimates and Judgments – (cont'd)

Judgments:

Exploration and evaluation expenditure

The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position, utilize the cost model and the carrying value of the exploration and evaluation assets is based on the expenditures incurred. Management regularly tests for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Impairment of exploration and evaluation assets is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or by sale.

Intangible assets

The recoverability of expenditures incurred on its intangible assets requires judgment and the Company evaluates these amounts at least annually for indicators of impairment.

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future is a judgment. The factors considered by management are disclosed in Note 2.

Note 5 Investment

The investment is classified as a held-for-trading financial asset and accordingly changes in its fair value are reported in operations on a quarterly basis.

Investment is comprised of 430,000 common shares of Universal mCloud Corp., a public company listed on the TSX Venture Exchange. The adjustment to fair market value at the end of the period resulted in an unrealized gain of $21,500 for the period.

Note 6 Exploration and Evaluation Assets

Star Property

	Balance October 31, 2016	Additions	Balance October 31, 2017	Additions	Balance, April 30, 2018
Acquisition costs	$ 18,000	$ 10,000	$ 28,000	$ 10,000	$ 38,000
Deferred exploration costs					
Assays	22,792	-	22,792	-	22,792
Equipment rental	7,322	-	7,322	-	7,322
Food and accommodations	5,531	-	5,531	-	5,531
Geological	40,470	-	40,470	44,735	85,205
Supplies	2,021	-	2,021	-	2,021
	78,136	-	78,136	44,735	122,871
Mineral Exploration Tax Credits	(27,483)	-	(27,483)	-	(27,483)
Balance, ending	$ 68,653	$ 10,000	$ 78,653	$ 54,735	$ 133,388

Note 6 Exploration and Evaluation Assets – (cont'd)

By a mineral property option agreement dated October 5, 2013 and amended on December 5, 2014, the Company could acquire up to a 100% interest in the Star Property. This property consisted of six mineral tenures and is located approximately 80 kilometres west southwest of Quesnel, British Columbia.

In order to earn a 51% interest in the Star Property, the Company was to pay $78,000 in cash and incur $885,000 in exploration work over four years. As at October 31, 2017, the Company had paid $28,000 and incurred in excess of $35,000 in exploration, the minimum required amount.

The Company could earn an additional 10% interest in the Star Property by completing a pre-feasibility study and a further 9% interest upon successful completion of a senior financing required to put the Star Property into production.

As at October 31, 2017, the Company has forfeited two of the original six claims as the Company did not consider it to be part of the core claims.

Prior to October 5, 2013, the date of the option agreement, the Company incurred an aggregate total of $26,948 in costs related to the evaluation of the Star Property, which have been previously expensed to the Statement of Loss and Comprehensive Loss.

At October 31, 2017, the Company had not paid the required property payment or incurred the required exploration costs due by twenty-four months after the listing date. By an agreement dated February 1, 2018 the Company replaced the prior agreements with a new option agreement effective February 15, 2018 such that in order to earn the 51% interest in the Star Property, the Company shall pay $60,000 in cash and incur $785,000 in exploration work as follows:

Date	Payment	Exploration Work
February 15, 2018 (Completed)	$ 10,000	$ 35,000
August 15, 2018	10,000	-
February 15, 2019	10,000	250,000
August 15, 2019	10,000	-
February 15, 2020	10,000	500,000
August 15, 2020	10,000	-
	$ 60,000	$ 785,000

Note 6 Exploration and Evaluation Assets – (cont'd)

The term of the option shall be until August 15, 2020. If the option is not exercised or the cash and exploration work has not been paid in full on or before August 15, 2020, the option shall terminate.

The Company may earn an additional 14% interest in the Star Property by completing a preliminary economic assessment and a further 15% interest upon successful completion of a financing sufficient to carry out a feasibility study on the property. When the Company earned 80% ownership, the project will continue as a joint venture with the exploration programs being funded proportionality to ownership. If either party is unable or unwilling to participate they will be diluted at a rate based on twice the amount spent on the property when this clause comes into effect. For every 1% of twice the expenditures spent by one of the parties and not by the other, 1% ownership will be transferred to the party spending the money. If either party is diluted to 10% or less their interest will revert to a 2% Net Smelter Return ("NSR") with the majority party having the right to buy 1% for $1,000,000 and first right of refusal on the second 1%.

Note 7 License

By an agreement dated December 12, 2017, as amended January 29, 2018, the Company purchased an 18% interest in an exclusive eight-year license to commercially exploit a patented ("License") communications technology designed to create autonomous communication networks without the need to connect to the internet, cellular or other communications infrastructure. This license relates solely to commercial applications for the mining resource industry worldwide. In consideration, the Company paid to the licensee $225,000. This agreement is subject to the underlying owners' consent to the assignment of the interest to the Company, a 15% royalty of net revenue received payable to the underlying owner, and the licensee incurring a minimum of $50,000 on or before December 12, 2018 in qualified expenditures to develop mining-related uses for the technology, failing which the Company's interest in the license will automatically increase to 25%.

The Company has the Right of First Refusal and option to acquire all or any portion of the Licensee's remaining interest in the License, if the Licensee receives a bona fide offer from a third party.

Note 8 Share Capital

a) Authorized:

Unlimited common shares without par value

b) Issued:

During the six months ended April 30, 2018:

On December 15, 2017 the Company closed a non-brokered private placement of 10,133,333 units at $0.06 per unit for gross proceeds of $608,000. Each unit consists of one common share and one transferable share purchase warrant to purchase one additional common share at $0.08 per share exercisable until December 21, 2019, as to 7,633,333 warrants, and until December 27, 2019, as to 2,500,000 warrants. The Company also paid finder's fees in connection therewith of 560,000 units with the same terms as the private placement (exercisable until December 27, 2019). The Company determined the fair value of the shares in the units at $0.06 per share totalling $33,600 and recorded an additional fair value of $67,200 on the warrants attached to the units utilizing the Black-Scholes option pricing model with the following assumptions – risk-free rate of 1.66%; Dividend yield of Nil, Expected volatility of 142.38%; Expected life of 2 years and a forfeiture rate of 0%.

On January 12, 2018 directors of the Company exercised 750,000 share purchase options, as to 500,000 at $0.12 per share and as to 250,000 at $0.10 per share.

During the year ended October 31, 2017:

On September 13, 2017, the Company completed a private placement of 6,366,666 units at $0.06 per unit for gross proceeds of $382,000. Each unit consists of one common share and one transferable share purchase warrant to purchase an additional common share at $0.08 per share until September 8, 2019. The Company also paid finder's fees in connection therewith of 402,500 units with the same terms as the private placement. The Company determined the fair value of the shares in the unit at $0.06 per share totalling $24,150 and recorded an additional fair value of $16,100 on the warrants attached to the units utilizing the Black Scholes option pricing model with the following assumptions – risk-free rate of 1.58%; Dividend yield of Nil; Expected volatility of 135%; Expected life of 2 years and a forfeiture rate of 0%.

Note 8 Share Capital – (cont'd)

c) Escrow:

Pursuant to an escrow agreement dated March 12, 2015, 16,500,001 common shares were placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date.

As at January 31, 2018, there were 2,475,001 (October 31, 2017: 4,950,001) common shares held in escrow. On December 12, 2017, 2,475,000 common shares were released from escrow and the remaining escrow shares will be released on June 12, 2018.

d) Commitments:

Share-based Compensation:

The Company has a share-based compensation plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's shares on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

On November 2, 2017, the Company granted a director of the Company share purchase options to acquire 500,000 common shares at $0.10 per share. These options expire on November 2, 2022. The Company recorded a fair value of $35,000 utilizing the Black-Scholes option pricing model with the following assumptions – Risk-free interest rate of 1.62%; Dividend yield of Nil; Expected volatility of 127%; Expected life of 5 years and a forfeiture rate of 0%. These share purchase options vest at the date of grant.

On January 12, 2018, the Company granted share purchase options to consultants to acquire 3,233,334 common shares at $0.15 per share. These options expire on January 12, 2020. The Company recorded a fair value of $323,333 utilizing the Black-Scholes option pricing model with the following assumptions – Risk-free interest rate of 1.84%; Dividend yield of Nil; Expected volatility of 142%; Expected life of 2 years and a forfeiture rate of 0%. These share purchase options vest at the date of grant.

On March 26, 2018, the Company granted incentive stock options to consultants to purchase up to 450,000 common shares at $0.30 per share. These options expire on March 26, 2020. The Company recorded a fair value of $90,000 utilizing the Black-Scholes option pricing model with the following assumptions – Risk-free interest rate of 1.80%; Dividend yield of Nil; Expected volatility of 146%; Expected life of 2 years and a forfeiture rate of 0%. These share purchase options vest at the date of grant.

Note 8 Share Capital – (cont'd)

d) Commitments: - (cont'd)

Share-based Compensation: - (cont'd)

A summary of the Company's share purchase options outstanding at April 30, 2018 and October 31, 2017 and changes during the periods then ended are presented below:

	Options	Weighted Average Exercise Price
Outstanding and exercisable at October 31, 2016	1,125,000	$0.12
Forfeited	(250,000)	$0.12
Granted	100,000	$0.12
Outstanding and exercisable at October 31, 2017	975,000	$0.12
Granted	4,183,334	$0.16
Exercised	(1,316,600)	$0.13
Outstanding and exercisable at April 30, 2018	3,841,734	$0.16

As at April 30, 2018, share purchase options outstanding have a weighted average remaining contractual life of 2.21 (October 31, 2017: 2.6) years.

Outstanding	Exercisable	Exercise Price	Expiry Date
375,000	375,000	$0.12	March 31, 2020
100,000	100,000	$0.12	October 5, 2022
250,000	250,000	$0.10	November 2, 2022
2,666,734	2,666,734	$0.15	January 2, 2020
450,000	450,000	$0.30	March 26, 2020
3,841,734	3,841,734		

Subsequent to April 30, 2018, 1,050,000 options were granted to directors at $0.31, with an expiry date of May 16, 2020.

Note 8 Share Capital – (cont'd)

d) Commitments: - (cont'd)

Agent's Warrants:

A summary of agent's warrants outstanding at as at April 30, 2018 and October 31, 2017 and changes during the periods then ended are presented below:

	Agent's Warrants	Weighted Average Exercise Price
Outstanding, at October 31, 2016	300,000	$0.10
Issued	402,500	$0.08
Expired	(300,000)	$0.10
Outstanding, at October 31, 2017	402,500	$0.08
Issued	560,000	$0.08
Exercised	(30,000)	$0.08
Outstanding, at April 30, 2018	932,500	$0.08

As at April 30, 2018, agent's warrants outstanding have a weighted average remaining contractual life of 1.78 (October 31, 2017: 1.87) years

Outstanding	Exercise Price	Expiry Date
372,500	$0.08	September 13, 2019
560,000	$0.08	December 27, 2019
932,500		

Note 8 Share Capital – (cont'd)

d) Commitments: - (cont'd)

Share Purchase Warrants:

A summary of the status of share purchase warrants as of April 30, 2018 and October 31, 2017 and changes during the periods then ended are presented below:

	Share Purchase Warrants	Weighted Average Exercise Price
Balance, at October 31, 2016	-	
Issued	6,366,666	$0.08
Balance, at October 31, 2017	6,366,666	$0.08
Issued	10,133,333	$0.08
Balance, at April 30, 2018	16,499,999	$0.08

As at April 30, 2018, share purchase warrants outstanding have a weighted average remaining contractual life of 1.79 (October 31, 2017: 1.85) years.

Outstanding	Exercise Price	Expiry Date
6,366,666	$0.08	September 13, 2019
7,633,333	$0.08	December 21, 2019
2,500,000	$0.08	December 27, 2019
16,499,999		

Note 9 Financial Instruments and Risk Management

The Company is exposed through its operations to the following financial risks:

Market Risk
Credit Risk
Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and process for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and are comprised of foreign currency risk and interest rate risk.

b) Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

c) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of the short-term nature of the investments.

d) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consists primarily of cash. Cash are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal.

Note 9 Financial Instruments and Risk Management – (cont'd)

e) 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 policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating year.

As at April 30, 2018, the Company had working capital of $188,668. The Company does not currently operate any producing properties and as such, may be dependent upon issuance of new equity to advance its exploration properties. If equity financing is required, failure to obtain financing on a timely basis may cause the Company to postpone exploration plans, reduce or terminate its operations.

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The financial position carrying amounts for cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Note 10 Related Party Transactions

The Company incurred the following expenditures charged by a director, two companies each controlled by a director of the Company and one company controlled by an officer of the Company:

	April 30, 2018	April 30, 2017
Administrative expenses		
Administration services	$ 19,823	$ -
Key management compensation		
Consulting fees	$ 32,500	-
Management fees	87,500	-
Share-based payments	125,000	-
	245,000	-
	$ 264,823	$ -

These transactions are in the normal course of operations and were measured by amounts agreed upon by the transacting parties.

Prepaid expenses at April 30, 2018, includes $15,750 (October 31, 2017: $Nil) in management fees due to a company controlled by a director of the Company.

Accounts payable at April 30, 2018, includes $15,010 (October 31, 2017: $47,250) owed to the related parties in connection with the management fee.

The Company considers its Chief Executive Officer, Chief Financial Officer and directors of the Company to be key management.

Note 11 Segment Information

As at April 30, 2018, the Company has only one operating segment, the acquisition, exploration and development of gold properties in Canada.

Note 12 Terminated Acquisition

On October 14, 2016, the Company entered into a binding letter of intent ("LOI") with Strategic Aviation Holdings Ltd. ("SAH"), a privately owned company incorporated under the laws of Ontario, and each of the shareholders of SAH, which set out the terms and conditions pursuant to which the Company, SAH and the SAH shareholders agreed to complete a transaction that would result in the acquisition by the Company of all of the issued and outstanding common shares of SAH.

SAH is a national multi-functional aviation services provider, focusing on airline ground handling and catering logistics services in Canada.

The completion of the proposed transaction was subject to a number of terms and conditions, including entering into a definitive agreement, the completion of the financing, the approval of the shareholders of the Company, the approval of the exchange and other relevant regulatory authorities. On January 6, 2017 the LOI was terminated after the parties were unable to meet certain conditions required to complete the transaction on mutually acceptable terms. Included in the Statements of Loss and Comprehensive Loss under project investigation cost, are cost incurred with respect to this terminated acquisition which mainly consisted of legal fees totaling $49,208.

Note 13 Subsequent Events

- Refer to Note 7 for options issued subsequent to April 30, 2018.

- On May 29, 2018, the Company announced that it completed a private placement financing of a total of 13,174,500 units (the "Units") were issued at a price of $0.25 per unit for gross proceeds of $3,293,625. Finder's fees totalling $180,600 cash, 115,815 units and 838,215 finder's warrants were paid to certain arm's length finders in connection with the offering. Each finder's warrant entitles the holder to purchase one common share of the Company at $0.50 for a period of two years.

- On May 16, 2018, the Company granted 1,050,000 stock options exercisable at $0.31 per share for a two year period.

- The Company announced that, subject to shareholder approval and regulatory consent, it will undertake a change of business, pursuant to which it would no longer be classified as a mineral exploration company. In this connection, on June 6, 2018, the Company entered into a shareholders' agreement to form an incorporated joint venture (the "JV") to undertake the joint design, development and manufacture of ASIC ('application specific integrated circuits') chips for mining bitcoin and other cryptocurrencies.

  The Company will own a 66.5% interest in the JV and will provide initial non-interest bearing shareholder loan financing of up to US$3,000,000 to the JV for the development of the JV's business. Upon providing US$3,000,000 of funding to the JV, the Company's JV interest will automatically increase to 75%.

Note 13 Subsequent Events – (cont'd)

The JV shall pay 1.25% of gross revenues as a royalty to the other JV partner until the JV has repaid the Company's shareholder loan. After repayment of the Company's shareholder loan, the JV shall pay 2.50% of gross revenues to the other JV partner.

SQUIRE MINING LTD.

(An Exploration Stage Company)

ANNUAL FINANCIAL STATEMENTS

For the years ended October 31, 2017 and 2016

(Stated in Canadian Dollars)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Squire Mining Ltd.,

We have audited the accompanying financial statements of Squire Mining Ltd., which comprise the statements of financial position as at October 31, 2017 and 2016, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

Auditor's 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 whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Squire Mining Ltd. as at October 31, 2017 and 2016 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 2 in the financial statements which indicates that the Company has limited working capital, no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 9, 2018

SQUIRE MINING LTD.
(An Exploration Stage Company)
STATEMENTS OF FINANCIAL POSITION
October 31, 2017 and 2016
(Stated in Canadian Dollars)

ASSETS

	2017	2016
Current		
Cash and cash equivalents	$ 533,056	$ 297,169
Amounts receivable	7,003	13,736
Prepaid expense	3,150	-
	543,209	310,905
Exploration and evaluation assets – Note 5	78,653	68,653
	$ 621,862	$ 379,558

LIABILITIES

Current		
Accounts payable – Note 9	$ 98,191	$ 23,135
Accrued liabilities	9,447	15,300
	107,638	38,435

SHAREHOLDERS' EQUITY

Share capital – Note 6	903,738	537,838
Reserve	99,850	73,750
Accumulated deficit	(489,364)	(270,465)
	514,224	341,123
	$ 621,862	$ 379,558

Nature of Operations – Note 1
Commitments – Notes 5 and 6
Subsequent Events – Notes 5, 6 and 14

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Tibor Gajdics" Director
Tibor Gajdics

"Kevin Hanson" Director
Kevin Hanson

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended October 31, 2017 and 2016
(Stated in Canadian Dollars)

	2017	2016
General and administrative expenses		
Accounting and audit fees	$ 12,900	$ 9,900
Bank charges	1,189	400
Consulting fees	50,000	-
Legal fees	25,357	4,916
Management fees – Note 9	45,000	-
Office and miscellaneous	3,766	4,316
Regulatory filing fees	8,230	9,473
Rent	3,000	-
Share-based compensation – Note 6	10,000	-
Shareholder communications	1,638	1,729
Transfer agent	6,389	5,121
Travel	2,413	-
Loss and comprehensive loss for the year before other items	(169,882)	(35,855)
Other items:		
Interest income	28	35
Project investigation costs – Note 12	(49,045)	(39,247)
Foreign exchange loss	-	(31,465)
	(49,017)	(70,677)
Net loss and comprehensive loss for the year	$ (218,899)	$ (106,532)
Basic and diluted loss per common share	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding	23,042,193	22,152,001

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
For the years ended October 31, 2017 and 2016
(Stated in Canadian Dollars)

	2017	2016
Operating Activities		
Net loss for the year	$ (218,899)	$ (106,532)
Item not affecting cash:		
Share-based compensation	10,000	-
Net cash used in operating activities	(208,899)	(106,532)
Changes in non-cash working capital items related to operations:		
Amounts receivable	6,733	(2,981)
Prepaid expense	(3,150)	-
Accounts payable	75,056	18,190
Accrued liabilities	(5,853)	5,250
Net cash used in operating activities	(136,113)	(86,073)
Investing Activity		
Exploration and evaluation costs	(10,000)	(31,621)
Net cash used in investing activities	(10,000)	(31,621)
Financing Activities		
Shares issued for cash	382,000	-
Net cash from financing activities	382,000	-
Increase (decrease) in cash during the year	235,887	(117,694)
Cash and cash equivalents, beginning of the year	297,169	414,863
Cash and cash equivalents, end of the year	$ 533,056	$ 297,169
Cash and cash equivalents consist of:		
Cash	$ 533,056	$ 282,169
Cash held in trust	-	15,000
	$ 533,056	$ 297,169
Non-cash transactions:		
Amounts receivable	$ -	$ 1,011
Accounts payable	$ -	$ 1,209
Exploration and evaluation asset	$ -	$ (2,220)

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended October 31, 2017 and 2016
(Stated in Canadian Dollars)

	Number of Common Shares	Amount	Reserve	Deficit	Total
Balance, October 31, 2015	22,152,001	537,838	73,750	(163,933)	447,655
Net loss and comprehensive loss for the year	-	-	-	(106,532)	(106,532)
Balance, October 31, 2016	22,152,001	537,838	73,750	(270,465)	341,123
For cash:					
Private placement - $0.06	6,366,666	382,000	-	-	382,000
Share issue costs					
Agent's units - $0.06	402,500	-	-	-	-
Fair value of warrants attached to agent's units	-	(16,100)	16,100	-	-
Share based compensation	-	-	10,000	-	10,000
Net loss and comprehensive loss for the year	-	-	-	(218,899)	(218,899)
Balance, October 31 2017	28,921,167	$ 903,738	$ 99,850	$ (489,364)	$ 514,224

SEE ACCOMPANYING NOTES

Note 1 Nature of Operations

The Company is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange ("CSE"). On March 18, 2015, the Company received a receipt from the BCSC, ASC and OSC for its initial public offering ("IPO") dated March 17, 2015 and become a reporting issuer in British Columbia, Alberta and Ontario. On June 12, 2015, the Company completed its IPO and commenced trading on June 16, 2015 under the trading symbol "SQR".

The Company has an option agreement to earn an interest in a mineral property located near Quesnel, British Columbia (Note 5) and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts from the property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

Squire Mining Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 23, 2011. On January 13, 2015 the Company changed its name from 0906251 B.C. Ltd. to Squire Mining Ltd.

The address of the Company's corporate office and principal place of business is c/o Suite 404 – 815 Hornby Street, Vancouver, BC, V6Z 2E6 and the address of its records office is Suite 650 – 1188 West Georgia Street, Vancouver, BC, V6E 4A2.

Note 2 Basis of Preparation

a) Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and which were in effect as of October 31, 2017.

The financial statements were authorized for issue by the Board of Directors on February 9, 2018.

Note 2 Basis of Preparation – (cont'd)

b) Going Concern

The Company has not generated revenue from operations and incurred a net loss of $218,899 for the period ended October 31, 2017, has accumulated a deficit at October 31, 2017 of $489,364 and expects to incur further losses in the development of its business. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for mineral properties is dependent upon the confirmation of economically recoverable reserves and its ability to obtain adequate financing to develop its mineral properties, and to commence profitable operations in the future, all of which casts significant doubt about the Company's ability to continue as a going concern.

These 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 as a going concern.

c) Basis of Measurement

These financial statements have been prepared using the historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Note 3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements unless otherwise indicated.

a) Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Note 3 Significant Accounting Policies – (cont'd)

b) Basic and Diluted Loss per Share

Basic earnings per share are computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

c) Exploration and Evaluation Assets

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and evaluation costs

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Once the technical feasibility and commercial viability of extraction of the mineral resources has been determined, the property is considered to be a property under development and is reclassified as such. Accordingly, costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for prospects abandoned are written off.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its exploration and evaluation costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, the title to its property is in good standing.

Note 3 Significant Accounting Policies – (cont'd)

c) Exploration and Evaluation Assets – (cont'd)

Management's capitalization of exploration and development costs and assumptions regarding the future recoverability of such costs are subject to significant estimation uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

Mineral exploration tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits. These non-repayable mineral tax credits are earned in respect to exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related deferred exploration expenditures.

d) Impairment of Long-lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of comprehensive loss when incurred. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Note 3 Significant Accounting Policies – (cont'd)

e) Rehabilitation Provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of the discounting unwinds, creating an expense recognition in the statement of comprehensive loss.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed at each reporting date for changes in regulatory requirements, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the statement of comprehensive loss for the period. As at October 31, 2017 and 2016, the Company is not aware of any reclamation costs and no amounts have been recorded.

f) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Note 3 Significant Accounting Policies – (cont'd)

f) Share Capital – (cont'd)

Flow-through Shares – (cont'd)

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

g) Share-based Payments

Equity-settled share based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of shares that will eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Compensation expense on share purchase options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

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

All equity-settled share based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid. If the options expire unexercised, the amount recorded remains in contributed surplus.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Note 3 Significant Accounting Policies – (cont'd)

h) Income Taxes

Income tax expense is comprised of current and deferred tax. Current and deferred income tax is recognized in the statement of loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current income taxes are the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

i) Foreign Currency Translation

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the period-end date and the related translation differences are recognized in net income.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Note 3 Significant Accounting Policies – (cont'd)

j) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired.

Financial assets are classified into one of four categories: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments, available for sale ("AFS") financial assets and loans and receivables.

The Company has classified cash and cash equivalents as fair value through profit or loss.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these assets are measured at amortized cost at the settlement date using the effective interest method of amortization. Amounts receivable are classified as loans and receivables.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of a trade receivable is reduced through the use of an allowance. 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 comprehensive loss.

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

Note 3 Significant Accounting Policies – (cont'd)

j) Financial Instruments – (cont'd)

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include accounts payables and accrued liabilities. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

k) Accounting standards and amendments issued not yet effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 9, *Financial Instruments (effective January 1, 2018)* introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 16 *Leases* establishes a single lease accounting model requiring lessees to recognize assets and liabilities for all leases unless the leases term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting in IFRS 16 substantially unchanged from the predecessor standards IAS 17 Leases. The standard replaces IAS 17 Leases and related interpretations. This standard is effective for reporting periods beginning on or after January 1, 2019.

Note 4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Estimates

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most

Note 4 Use of Estimates and Judgments – (cont'd)

appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

Judgments

Exploration and evaluation expenditures

The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position, utilize the cost model and the carrying value of the exploration and evaluation assets is based on the expenditures incurred. Management regularly tests for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Impairment of exploration and evaluation assets is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or by sale.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future is a judgment. The factors considered by management are disclosed in Note 2.

Note 5 Exploration and Evaluation Assets

Star Property

	Balance, October 31, 2015	Additions	Balance October 31, 2016	Additions	Balance, October 31, 2017
Acquisition costs	$ 8,000	$ 10,000	$ 18,000	$ 10,000	$ 28,000
Deferred exploration costs					
Assays	12,488	10,304	22,792	-	22,792
Equipment rental	2,219	5,103	7,322	-	7,322
Food and accommodations	3,469	2,062	5,531	-	5,531
Geological	23,880	16,590	40,470	-	40,470
Supplies	2,021	-	2,021	-	2,021
	44,077	34,059	78,136	-	78,136
Mineral Exploration Tax Credits	(17,265)	(10,218)	(27,483)	-	(27,483)
Balance, ending	$ 34,812	$ 33,841	$ 68,653	$ 10,000	$ 78,653

By a mineral property option agreement dated October 5, 2013 and amended on December 5, 2014, the Company may acquire up to a 100% interest in the Star Property. This property consisted of six mineral tenures and is located approximately 80 kilometres west southwest of Quesnel, British Columbia.

In order to earn a 51% interest in the Star Property, the Company shall pay $78,000 in cash and incur $885,000 in exploration work as follows:

Date	Payment	Exploration Work
Upon completion of $0.02 financing (Paid)	$ 2,000	$ -
Upon CSE listing date (“Listing Date”) (Paid)	6,000	-
Twelve months after Listing Date (Paid and Incurred)	10,000	35,000
Eighteen months after Listing Date (Paid)	10,000	-
Twenty-four months after Listing Date *	10,000	100,000
Thirty months after Listing Date	10,000	-
Thirty-six months after Listing Date	10,000	250,000
Forty-two months after Listing Date	10,000	-
Forty-eight months after Listing date	10,000	500,000
	$ 78,000	$ 885,000

The Company may earn an additional 10% interest in the Star Property by completing a pre-feasibility study and a further 9% interest upon successful completion of a senior financing required to put the Star Property into production.

As at October 31, 2017, the Company has forfeited two of the original six claims that it did not consider to be part of the core claims.

Note 5 Exploration and Evaluation Assets – (cont'd)

Prior to October 5, 2013, the date of the option agreement, the Company incurred an aggregate of $26,948 in costs related to the evaluation of the Star Property, which have been previously expensed to the Statement of Loss and Comprehensive Loss.

*At October 31, 2017, the Company had not paid the required property payment or incurred the required exploration costs due by twenty-four months after the listing date. By an agreement dated February 1, 2018 the Company replaced the prior agreements with a new option agreement effective February 15, 2018 such that in order to earn a 51% interest in the Star Property, the Company shall pay a further $60,000 in cash and incur a further $785,000 in exploration work as follows:

Date	Payment	Exploration Work
February 15, 2018 (Paid $2,500 subsequently)	$ 10,000	$ 35,000
August 15, 2018	10,000	-
February 15, 2019	10,000	250,000
August 15, 2019	10,000	-
February 15, 2020	10,000	500,000
August 15, 2020	10,000	-
	$ 60,000	$ 785,000

The term of the option shall be until August 15, 2020. If the option is not exercised or the cash and exploration work has not been paid in full on or before August 15, 2020, the option shall terminate.

The Company may earn an additional 14% interest in the Star Property by completing a preliminary economic assessment and a further 15% interest upon successful completion of a financing sufficient to carry out a feasibility study on the property.

Note 6 Share Capital – Note 14

a) Authorized:

Unlimited common shares without par value

b) Issued:

During the year ended October 31, 2017:

On September 13, 2017, the Company completed a private placement of 6,366,666 units at $0.06 per unit for gross proceeds of $382,000. Each unit consists of one common share and one transferable share purchase warrant to purchase an additional common share at $0.08 per share until September 8, 2019. The Company also paid a finder's fee 402,500 units with the same terms as the private placement. The Company determined the fair value of the common share portion of the finder's fee unit at $0.06 per share, for a total of $24,150, and attributed an additional fair value of $16,100 to

Note 6 Share Capital – Note 14 – (cont'd)

the attached warrants utilizing the Black Scholes option pricing model with the following assumptions – risk-free rate of 1.58%, dividend yield of nil; expected volatility of 135%; expected life of 2 years and a forfeiture rate of 0%.

There were no shares issued during the year ended October 31, 2016.

c) Escrow:

Pursuant to an escrow agreement dated March 12, 2015, 16,500,001 common shares were placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date.

As at October 31, 2017, there were 4,950,001 (2016: 9,900,000) common shares held in escrow. On December 12, 2017, 2,475,000 common shares were released from escrow.

d) Commitments:

Share-based Compensation:

The Company has a share-based compensation plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's shares on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

On October 5, 2017, the Company granted share purchase options to a consultant entitling the holder thereof the right to purchase up to 100,000 common shares at $0.12 per share expiring on October 5, 2022. The Company recorded a fair value of $10,000 utilizing the Black-Scholes option pricing model with the following assumptions – Risk-free interest rate of 1.70%; Dividend yield of Nil; Expected volatility of 127%; Expected life of 5 years and a forfeiture rate of 0%.

A summary of the Company's share purchase options outstanding at October 31, 2017 and 2016 are presented below:

	Options	Weighted Average Exercise Price
Outstanding and exercisable at October 31, 2015 and 2016	1,125,000	$0.12
Forfeited	(250,000)	$0.12
Granted	100,000	$0.12
Outstanding and exercisable at October 31, 2017	975,000	$0.12

Note 6 Share Capital – Note 14 – (cont'd)

As at October 31, 2017, share purchase options outstanding have a weighted average remaining contractual life of 2.6 (2016: 3.42) years.

Outstanding	Exercisable	Exercise Price	Expiry Date
125,000	125,000	$0.12	March 31, 2020
750,000	750,000	$0.12	March 31, 2020
100,000	100,000	$0.12	October 5, 2022
975,000	975,000		

Agent's Warrants:

A summary of agent's warrants outstanding at as at October 31, 2017 and 2016 are presented below:

	Agent's Warrants	Weighted Average Exercise Price
Outstanding, at October 31, 2015 and 2016	300,000	$0.10
Issued	402,500	$0.08
Expired	(300,000)	$0.10
Outstanding, at October 31, 2017	402,500	$0.10

As at October 31, 2017, Agent's warrants outstanding have a weighted average remaining contractual life of 1.87 (2016: 0.12) years

As at October 31, 2017, the Company had 402,500 Agent's warrants outstanding and entitling the holder thereof the right to acquire 402,500 common shares at $0.08 per share expiring on September 8, 2019.

Share Purchase Warrants:

A summary of the status of share purchase warrants as of October 31, 2017 and 2016 and changes during the periods then ended on those dates is presented below:

	Share Purchase Warrants	Weighted Average Exercise Price
Balance, at October 31, 2015 and 2016	-	
Issued	6,366,666	$0.08
Balance at October 31, 2017	6,366,666	$0.08

Note 6 Share Capital – Note 14 – (cont'd)

d) Commitments: – (cont'd)

As at October 31, 2017, share purchase warrants outstanding have a weighted average remaining contractual life of 1.85 (2016: Nil) years.

As at October 31, 2017, the Company had 6,366,666 share purchase warrants outstanding and entitling the holder thereof the right to acquire 6,366,666 common shares at $0.08 per share expiring on September 8, 2019.

Note 7 Financial Instruments and Risk Management

The Company is exposed through its operations to the following financial risks:

Market Risk
Credit Risk
Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and process for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and are comprised of foreign currency risk and interest rate risk.

b) Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

c) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of the short-term nature of the investments.

Note 7 Financial Instruments and Risk Management – (cont'd)

d) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consists primarily of cash. Cash are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal.

e) 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 policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating year.

As at October 31, 2017, the Company had working capital of $435,571. The Company does not currently operate any producing properties and as such, may be dependent upon issuance of new equity to advance its exploration properties. If equity financing is required, failure to obtain financing on a timely basis may cause the Company to postpone exploration plans, reduce or terminate its operations.

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The financial position carrying amounts for cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Note 7 Financial Instruments and Risk Management – (cont'd)

- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Note 8 Management of Capital Risk

The Company manages its cash and cash equivalents, and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Note 9 Related Party Transactions

The Company incurred the following expenditures charged by two companies each controlled by a director of the Company:

	2017	2016
Key management compensation		
Management fees	$ 45,000	-
	$ 45,000	$ -

These transactions are in the normal course of operations and were measured by amounts agreed upon by the transacting parties.

Note 9 Related Party Transactions – (cont'd)

Accounts payable at October 31, 2017 includes $47,250 (October 31, 2016: $131) owed to two companies each controlled by a director of the Company for unpaid management fees and reimbursement of expenses.

The Company considers its Chief Executive Officer, Chief Financial Officer and directors of the Company to be key management.

Note 10 Segment Information

As at October 31, 2017, the Company has only one operating segment, the acquisition, exploration and development of gold properties in Canada.

Note 11 Terminated Acquisition

On October 14, 2016, the Company entered into a binding letter of intent ("LOI") with Strategic Aviation Holdings Ltd. ("SAH"), a privately owned company incorporated under the laws of Ontario, and each of the shareholders of SAH, which set out the terms and conditions pursuant to which the Company, SAH and the SAH shareholders agreed to complete a transaction that would result in the acquisition by the Company of all of the issued and outstanding common shares of SAH.

SAH is a national multi-functional aviation services provider, focusing on airline ground handling and catering logistics services in Canada.

The completion of the proposed transaction was subject to a number of terms and conditions, including entering into a definitive agreement, the completion of the financing, the approval of the shareholders of the Company, the approval of the exchange and other relevant regulatory authorities. On January 6, 2017 the LOI was terminated after the parties were unable to meet certain conditions required to complete the transaction on mutually acceptable terms.

Note 12 Project Investigation Costs

Project investigation costs included in the Statements of Loss and Comprehensive Loss, are related to costs incurred with respect to investigation and due diligence of potential business acquisitions and consist of the following:

	2017	2016
Consulting fees	$ 2,500	$ 6,000
Legal costs	46,545	24,718
Travel costs	-	8,529
	$ 49,045	$ 39,247

Note 13 Income Taxes

The Company has Canadian exploration and development expenses of approximately $92,000 (2016: $82,000) that are available to carry forward and offset future years' income at various rates. These pools carry forward indefinitely.

The Company has non-capital losses of approximately $447,000 (2016: $218,000), which may be carried forward to offset future years' income. The non-capital losses expire as follows:

2031	$ 2,000
2032	2,000
2033	1,000
2034	14,000
2035	108,000
2036	91,000
2037	229,000
	$ 447,000

The Company has capital losses totalling $31,465 which may be carried forward and applied against capital gains in future years.

The difference between tax expense for the periods and the expected income taxes based on the statutory tax rate arises as follows:

	2017	2016
Loss before income taxes	$ (218,899)	$ (106,532)
Statutory income tax rates	26.00%	26.00%
Computed income tax recovery	$ (56,900)	$ (27,700)
Permanent difference	2,700	4,100
Changes in unrecognized deferred tax assets	54,200	23,600
Total current and deferred income tax recovery	$ -	$ -

No deferred tax asset has been recognized in respect of the following losses and temporary differences as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered:

	2017	2016
Non-capital losses	$ 115,900	$ 56,400
Capital losses	4,100	4,100
Undeducted finance costs	14,600	13,600
Resource expenditures	3,500	3,500
Unrecognized deferred tax assets	(138,100)	(77,600)
Deferred income tax asset, net	$ -	$ -

Note 14 Subsequent Events – Notes 5 and 6

- On November 2, 2017, the Company granted a director of the Company share purchase options to acquire 500,000 common shares at $0.10 per share. These options expire on November 2, 2022.

- On December 15, 2017 the Company closed a non-brokered private placement of 10,133,333 units at $0.06 per unit for gross proceeds of $608,000. Each unit consists of one common share and one transferable share purchase warrant to purchase one additional common share at $0.08 per share exercisable until December 21, 2019, as to 7,633,333 warrants, and until December 27, 2019, as to 2,500,000 warrants. The Company also paid a finder's fee of 560,000 units comprising the same terms as the private placement (exercisable until December 27, 2019).

- By an agreement dated December 12, 2017, as amended January 29, 2018, the Company purchased an 18% interest in an exclusive eight-year license to commercially exploit a patented communications technology designed to create autonomous communication networks without the need to connect to the internet, cellular or other communications infrastructure. This license relates solely to commercial applications for the mining resource industry worldwide. In consideration, the Company paid the licensee $225,000. This agreement is subject to the underlying owners' consent to the assignment of the interest to the Company, a 15% royalty of net revenue received payable to the underlying owner and the licensee incurring a minimum of $50,000 on or before December 12, 2018 in qualified expenditures to develop mining-related uses for the technology, failing which the Company's interest in the license will automatically increase to 25%.

- On January 12, 2018 directors of the Company exercised 750,000 share purchase options, as to 500,000 at $0.12 per share and as to 250,000 at $0.10 per share. Also, on January 12, 2018 the Company granted stock options to employees, directors, officers and consultants to purchase up to 3,233,334 common shares at $0.15 per share, exercisable until January 12, 2020.

- By a subscription agreement dated February 5, 2018, the Company agreed to purchase 300,000 units of Universal mCloud Corp. ("mCloud") at $0.35 per unit for a total subscription of $105,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the Company the right to purchase one common share at $0.45 per share exercisable for thirty-six months from the closing date, subject to early redemption by mCloud if the 10-day weighted average trading price of the common shares of mCloud is at any time greater than $0.80 per share.

SQUIRE MINING LTD.

(An Exploration Stage Company)

ANNUAL FINANCIAL STATEMENTS

For the year ended October 31, 2016

(Stated in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Squire Mining Ltd.,

We have audited the accompanying financial statements of Squire Mining Ltd., which comprise the statements of financial position as at October 31, 2016 and 2015, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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 whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Squire Mining Ltd. as at October 31, 2016 and 2015 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 2 in the financial statements which indicates that the Company has limited working capital, no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 16, 2017

SQUIRE MINING LTD.
(An Exploration Stage Company)
STATEMENTS OF FINANCIAL POSITION
October 31, 2016 and 2015
(Stated in Canadian Dollars)

	2016	2015
ASSETS		
Current		
Cash and cash equivalents	$ 297,169	$ 414,863
Amounts receivable	13,736	11,766
	310,905	426,629
Exploration and evaluation assets – Note 5	68,653	34,812
	$ 379,558	$ 461,441
LIABILITIES		
Current		
Accounts payable – Note 10	$ 23,135	$ 3,736
Accrued liabilities	15,300	10,050
	38,435	13,786
SHAREHOLDERS' EQUITY		
Share capital – Note 6	537,838	537,838
Reserve – Note 6	73,750	73,750
Accumulated deficit	(270,465)	(163,933)
	341,123	447,655
	$ 379,558	$ 461,441

Nature of Operations – Note 1
Commitments – Notes 5 and 6
Subsequent Events – Notes 5 and 12

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Ian Mann" Director
Ian Mann

"Kevin Hanson" Director
Kevin Hanson

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
for the years ended October 31, 2016 and 2015
(Stated in Canadian Dollars)

	2016	2015
General and administrative expenses		
Accounting and audit fees	$ 9,900	$ 7,300
Bank charges	400	189
Legal fees	4,916	52,477
Office and miscellaneous	4,216	2,350
Regulatory filing fees	9,473	29,561
Share-based compensation – Notes 6 and 10	-	33,750
Shareholder communications	1,729	-
Transfer agent	5,121	2,331
Website cost – Note 10	100	3,142
Loss and comprehensive loss for the year	(35,855)	(131,100)
Other items:		
Interest income	35	15
Project investigation costs – Note 13	(39,247)	(1,000)
Foreign exchange loss	(31,465)	-
	(70,677)	(985)
Net loss and comprehensive loss for the year	$ (106,532)	$ (132,085)
Basic and diluted loss per common share	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding	22,152,001	20,261,474

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
for the years ended October 31, 2016 and 2015
(Stated in Canadian Dollars)

	2016	2015
Operating Activities		
Net loss for the year	$ (106,532)	$ (132,085)
Item not affecting cash:		
Share-based compensation	-	33,750
	(106,532)	(98,335)
Changes in non-cash working capital items related to operations:		
Amounts receivable	(2,981)	(276)
Accounts payable	18,190	1,303
Accrued liabilities	5,250	(7,100)
Due to related parties	-	(120)
	(86,073)	(104,528)
Investing Activity		
Exploration and evaluation costs	(31,621)	(39,005)
	(31,621)	(39,005)
Financing Activities		
Additional capitalization for seed shares	-	25,000
Shares issued for cash	-	312,600
Share issue costs	-	(77,763)
	-	259,837
Increase (decrease) in cash during the year	(117,694)	116,304
Cash and cash equivalents, beginning of the year	414,863	298,559
Cash and cash equivalents, end of the year	$ 297,169	$ 414,863
Cash and cash equivalents consist of:		
Cash	$ 282,169	$ 414,863
Cash held in trust	15,000	-
	$ 297,169	$ 414,863
Non-cash transactions:		
Amounts receivable	$ 1,011	$ (11,229)
Accounts payable	$ 1,209	$ (5,661)
Accrued liabilities	$ -	$ 4,050
Exploration and evaluation asset	$ (2,220)	$ 12,840

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
(An Exploration Stage Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
for the period from October 31, 2014 to October 31, 2016
(Stated in Canadian Dollars)

	Number of Common Shares	Amount	Share Subscriptions	Reserve	Deficit	Total
Balance, October 31, 2014	18,900,001	318,001	-	-	(31,848)	286,153
For cash						
Seed shares - $0.05	252,000	12,600	-	-	-	12,600
Additional consideration for seed shares – Note 6	-	-	-	25,000	-	25,000
Initial Public Offering - $0.10	3,000,000	300,000	-	-	-	300,000
Share issue costs – Note 6	-	(92,763)	-	15,000	-	(77,763)
Share based compensation	-	-	-	33,750	-	33,750
Net loss and comprehensive loss for the year	-	-	-	-	(132,085)	(132,085)
Balance, October 31 2015	22,152,001	537,838	-	73,750	(163,933)	447,655
Net loss and comprehensive loss for the year	-	-	-	-	(106,532)	(106,532)
Balance, October 31 2016	22,152,001	$ 537,838	$ -	$ 73,750	$ (270.465)	$ 341,123

SEE ACCOMPANYING NOTES

SQUIRE MINING LTD.
NOTES TO THE FINANCIAL STATEMENTS
October 31, 2016 and 2015
(Stated in Canadian Dollars)

Note 1 Nature of Operations

The Company is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange ("CSE"). On March 18, 2015, the Company received a receipt from the BCSC, ASC and OSC for its initial public offering ("IPO") dated March 17, 2015 and become a reporting issuer in British Columbia, Alberta and Ontario. On June 12, 2015, the Company completed its IPO and commenced trading on June 16, 2015 under the trading symbol "SQR".

The Company has an option agreement to earn an interest in a mineral property located near Quesnel, British Columbia (Note 5) and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts from the property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

Squire Mining Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 23, 2011. On January 13, 2015 the Company changed its name from 0906251 B.C. Ltd. to Squire Mining Ltd.

The address of the Company's corporate office and principal place of business is c/o Suite 404 – 815 Hornby Street, Vancouver, BC, V6Z 2E6 and the address of its records office is Suite 650 – 1188 West Georgia Street, Vancouver, BC, V6E 4A2.

Note 2 Basis of Preparation

a) Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and which were in effect as of October 31, 2016.

The financial statements were authorized for issue by the Board of Directors on February 16, 2017.

Note 2 Basis of Preparation – (cont'd)

b) Going Concern

The Company has not generated revenue from operations and incurred a net loss of $106,532 for the year ended October 31, 2016, has accumulated a deficit at October 31, 2016 of $270,465 and expects to incur further losses in the development of its business. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for mineral properties is dependent upon the confirmation of economically recoverable reserves and its ability to obtain adequate financing to develop its mineral properties, and to commence profitable operations in the future, all of which casts significant doubt about the Company's ability to continue as a going concern.

These 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 as a going concern.

c) Basis of Measurement

These financial statements have been prepared using the historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Note 3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements unless otherwise indicated.

a) Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Note 3 Significant Accounting Policies – (cont'd)

b) Basic and Diluted Loss per Share

Basic earnings per share are computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

c) Exploration and Evaluation Assets

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and evaluation costs

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Once the technical feasibility and commercial viability of extraction of the mineral resources has been determined, the property is considered to be a property under development and is reclassified as such. Accordingly, costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for prospects abandoned are written off.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its exploration and evaluation costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, the title to its property is in good standing.

Note 3 Significant Accounting Policies – (cont'd)

c) Exploration and Evaluation Assets – (cont'd)

Management's capitalization of exploration and development costs and assumptions regarding the future recoverability of such costs are subject to significant estimation uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

Mineral exploration tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits. These non-repayable mineral tax credits are earned in respect to exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related deferred exploration expenditures.

d) Impairment of Long-lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of comprehensive loss when incurred. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Note 3 Significant Accounting Policies – (cont'd)

e) Rehabilitation Provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of the discounting unwinds, creating an expense recognition in the statement of comprehensive loss.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed at each reporting date for changes in regulatory requirements, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the statement of comprehensive loss for the period. As at October 31, 2016 and 2015, the Company is not aware of any reclamation costs and no amounts have been recorded.

f) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Note 3 Significant Accounting Policies – (cont'd)

f) Share Capital – (cont'd)

Flow-through Shares – (cont'd)

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

g) Share-based Payments

Equity-settled share based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of shares that will eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Compensation expense on share purchase options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

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

All equity-settled share based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid. If the options expire unexercised, the amount recorded remains in contributed surplus.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Note 3 Significant Accounting Policies – (cont'd)

h) Income Taxes

Income tax expense is comprised of current and deferred tax. Current and deferred income tax is recognized in the statement of loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current income taxes are the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

i) Foreign Currency Translation

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the period-end date and the related translation differences are recognized in net income.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Note 3 Significant Accounting Policies – (cont'd)

j) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired.

Financial assets are classified into one of four categories: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments, available for sale ("AFS") financial assets and loans and receivables.

The Company has classified cash and cash equivalents as fair value through profit or loss.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these assets are measured at amortized cost at the settlement date using the effective interest method of amortization. Amounts receivable are classified as loans and receivables.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of a trade receivable is reduced through the use of an allowance. 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 comprehensive loss.

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

Note 3 Significant Accounting Policies – (cont'd)

j) Financial Instruments – (cont'd)

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include accounts payables and accrued liabilities. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

k) Accounting standards and amendments issued not yet effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 9, *Financial Instruments (effective January 1, 2018)* introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 15 *Revenue from Contracts with Customers provides a single principle-based framework to be applied to all contracts with customers*. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2017.

Note 4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 4 Use of Estimates and Judgments – (cont'd)

i) Exploration and evaluation expenditure

The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position, utilize the cost model and the carrying value of the exploration and evaluation assets is based on the expenditures incurred. Management regularly tests for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Impairment of exploration and evaluation assets is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or by sale.

ii) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

iii) Stock-based compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

Note 5 Exploration and Evaluation Assets

Star Property

	Balance, October 31, 2014	Additions	Balance, October 31, 2015	Additions	Balance October 31, 2016
Acquisition costs	$ 2,000	$ 6,000	$ 8,000	$ 10,000	$ 18,000
Deferred exploration costs					
Assays	3,069	9,419	12,488	10,304	22,792
Equipment rental	-	2,219	2,219	5,103	7,322
Food and accommodations	-	3,469	3,469	2,062	5,531
Geological	3,300	20,580	23,880	16,590	40,470
Supplies	278	1,743	2,021	-	2,021
	6,647	37,430	44,077	34,059	78,136
Mineral Exploration Tax Credits	-	(17,265)	(17,265)	(10,218)	(27,483)
Balance, ending	$ 8,647	$ 26,165	$ 34,812	$ 33,841	$ 68,653

By a mineral property option agreement dated October 5, 2013 and amended on December 5, 2014, the Company may acquire up to a 100% interest in the Star Property. This property consisted of six mineral tenures and is located approximately 80 kilometres west southwest of Quesnel, British Columbia.

In order to earn a 51% interest in the Star Property, the Company shall pay $78,000 in cash and incur $885,000 in exploration work as follows:

Date	Payment	Exploration Work
Upon completion of $0.02 financing (Paid)	$ 2,000	$ -
Upon CSE listing date (“Listing Date”) (Paid)	6,000	-
Twelve months after Listing Date (Paid and Incurred)	10,000	35,000
Eighteen months after Listing Date	10,000	-
Twenty-four months after Listing Date	10,000	100,000
Thirty months after Listing Date	10,000	-
Thirty-six months after Listing Date	10,000	250,000
Forty-two months after Listing Date	10,000	-
Forty-eight months after Listing date	10,000	500,000
	$ 78,000	$ 885,000

The payment due eighteen months after Listing Date was paid on January 10, 2017.

Note 5 Exploration and Evaluation Assets – (cont'd)

The Company may earn an additional 10% interest in the Star Property by completing a pre-feasibility study and a further 9% interest upon successful completion of a senior financing required to put the Star Property into production.

Should the Company acquire 100% of the property the optionor will retain a 2% Net Smelter Returns ('NSR') royalty. One half of this royalty may be purchased by the Company at any time prior to the commencement of commercial production for $500,000.

During the year ended October 31, 2016, the Company forfeited one of the claims which the Company did not consider to be material to the property interest.

Prior to October 5, 2013, the date of the option agreement, the Company incurred an aggregate of $26,948 in costs related to the evaluation of the Star Property, which was previously expensed to the Statement of Loss and Comprehensive Loss.

Note 6 Share Capital

a) Authorized:

Unlimited common shares without par value

b) Issued:

During the year ended October 31, 2016

There were no shares issued during the year ended October 31, 2016.

During the year ended October 31, 2015

On January 16, 2015, the Company issued 252,000 common shares at $0.05 per share for total proceeds of $12,600.

On March 13, 2015, shareholders that had paid $0.005 per share for 5,000,000 common shares, agreed to further capitalize the Company in an additional aggregate amount of $25,000, pursuant to the requirements of regulatory authorities in connection with the Company obtaining a receipt for the Initial Public Offering ("IPO"). These funds were recorded within the reserve account for accounting purposes.

On March 17, 2015 the Company entered into an agreement with Jordan Capital Markets Inc. (the "Agent") to complete an IPO for the issue of 3,000,000 common shares of the Company at $0.10 per share for gross proceeds of $300,000. The Company completed the IPO on June 12, 2015 and paid the Agent a cash commission of $30,000 and issued to the Agent broker warrants to purchase 300,000 common shares at $0.10 per share until December 12, 2016. The Company recorded a fair value of the agent's warrants of $15,000 utilizing the Black-Scholes option pricing model with the following assumptions – Risk-free interest rate of 1%; Dividend yield of Nil; Expected volatility of 100%; Expected life of 1.5 years. The forfeiture rate was 0%.

Note 6 Share Capital – (cont'd)

b) Issued: – (cont'd)

During the year ended October 31, 2015 – (cont'd)

The Company also paid the Agent a corporate finance fee of $25,000 plus GST and paid expenses related to the offering, including legal fees and disbursements totalling $22,763.

Total cost of the offering:

Agent's commission	$ 30,000
Agent's broker warrants	15,000
Corporate finance fee	25,000
Other offering expenses	22,763
	$ 92,763

c) Escrow:

Pursuant to an escrow agreement dated March 12, 2015, 16,500,001 common shares were placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date.

As at October 31, 2016, there were 9,900,000(October 31, 2015: 14,850,000) common shares held in escrow.

d) Share-based Compensation:

The Company has a share-based compensation plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's shares on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

On January 13, 2015 and January 19, 2015, the Company granted share purchase options to directors of the Company and the exploration manager of the Company entitling the holders thereof the right to purchase up to 1,000,000 and 125,000 common shares, respectively at $0.12 per share. These options expire on March 31, 2020. The Company recorded a fair value of $33,750 utilizing the Black-Scholes option pricing model with the following assumptions – Risk-free interest rate of 0.69%; Dividend yield of Nil; Expected volatility of 100%; Expected life of 5.17 years. The forfeiture rate was 0%.

Note 6 Share Capital – (cont'd)

d) Share-based Compensation: - (cont'd)

A summary of the Company's share purchase options outstanding at October 31, 2016 are presented below:

	Options	Weighted Average Exercise Price
Outstanding and exercisable at October 31, 2014	-	-
Granted	1,125,000	$0.12
Outstanding and exercisable at October 31, 2015 and 2016	1,125,000	$0.12

As at October 31, 2016, share purchase options outstanding have a weighted average remaining contractual life of 3.42 (2015: 4.42) years.

e) Agent's Warrants:

A summary of agent's warrants outstanding at October 31, 2016 are presented below:

	Warrants	Weighted Average Exercise Price
Outstanding, at October 31, 2014	-	-
Issued	300,000	$0.10
Outstanding, at October 31, 2015 and 2016	300,000	$0.10

As at October 31, 2016, agent's warrants have a weighted average remaining contractual life of 0.12 (2015: 1.12) years.

Note 7 Income Taxes

The Company has Canadian exploration and development expenses of approximately $82,000 (2015: $48,000) that are available to carry forward and offset future years' income at various rates. These pools carry forward indefinitely.

Note 7 Income Taxes – (cont'd)

The Company has non-capital losses of approximately $217,000 (2016: $127,000), which may be carried forward to offset future years' income. The non-capital losses expire as follows:

2031	$ 2,000
2032	2,000
2033	1,000
2034	14,000
2035	108,000
2036	90,000
	$ 217,000

The Company has capital losses totalling $31,465 which may be carried forward and applied against capital gains in future years.

The difference between tax expense for the periods and the expected income taxes based on the statutory tax rate arises as follows:

	2016	2015
Loss before income taxes	$ (106,532)	$ (132,085)
Statutory income tax rates	26.00%	26.00%
Computed income tax recovery	$ (27,700)	$ (34,300)
Permanent difference	4,100	4,700
Changes in unrecognized deferred tax assets	23,600	29,600
Total current and deferred income tax recovery	$ -	$ -

Effective December 1, 2013, the British Columbia provincial tax rate and the Canadian Federal corporate tax rate remained at 11% and 15%, respectively.

No deferred tax asset has been recognized in respect of the following losses and temporary differences as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered:

	2016	2015
Non-capital losses	$ 56,300	$ 34,400
Capital losses	4,100	-
Undeducted finance costs	13,600	16,200
Resource expenditures	3,500	3,500
Unrecognized deferred tax assets	(77,500)	(54,100)
Deferred income tax assets, net	$ -	$ -

Note 8 Financial Instruments and Risk Management

The Company is exposed through its operations to the following financial risks:

Market Risk
Credit Risk
Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and process for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and are comprised of foreign currency risk and interest rate risk.

b) Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

c) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash equivalents is limited because of the short-term nature of the investments.

d) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consists primarily of cash and cash equivalents. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal.

Note 8 Financial Instruments and Risk Management – (cont'd)

e) 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 policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company manages liquidity risk through the management of its capital structure (Note 9).

Accounts payable and accrued liabilities are due within the current operating year.

As at October 31, 2016, the Company had working capital of $272,470. The Company does not currently operate any producing properties and as such, may be dependent upon issuance of new equity to advance its exploration properties. If equity financing is required, failure to obtain financing on a timely basis may cause the Company to postpone exploration plans, reduce or terminate its operations.

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The financial position carrying amounts for cash and cash equivalents, accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Note 9 Management of Capital Risk

The Company manages its cash and cash equivalents, and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Note 10 Related Party Transactions – Note 6

The Company incurred the following expenditures charged by directors of the Company and a spouse of a director of the Company:

	2016	2015
Administrative expenses:		
Website cost	$ -	$ 1,698
Key management compensation:		
Share-based compensation	-	30,000
	$ -	$ 31,698

The transactions above are in the normal course of operations and were measured by amounts agreed upon by the transacting parties.

Accounts payable at October 31, 2016 includes $131 (2015: $Nil) owed to an officer of the Company for reimbursement of expenses.

The Company considers its Chief Executive Officer, Chief Financial Officer and directors of the Company to be key management.

Note 11 Segment Information

As at October 31, 2016, the Company has only one operating segment, the acquisition, exploration and development of gold properties in Canada.

Note 12 Terminated Acquisition

On October 14, 2016, the Company entered into a binding letter of intent ("LOI") with Strategic Aviation Holdings Ltd. ("SAH"), a privately owned company incorporated under the laws of Ontario, and each of the shareholders of SAH, which set out the terms and conditions pursuant to which the Company, SAH and the SAH shareholders agreed to complete a transaction that would result in the acquisition by the Company of all of the issued and outstanding common shares of SAH.

SAH is a national multi-functional aviation services provider, focusing on airline ground handling and catering logistics services in Canada.

The completion of the proposed transaction was subject to a number of terms and conditions, including entering into a definitive agreement, the completion of the financing, the approval of the shareholders of the Company, the approval of the exchange and other relevant regulatory authorities. On January 6, 2017 the LOI was terminated after the parties were unable to meet certain conditions required to complete the transaction on mutually acceptable terms.

Note 13 Project Investigation Costs

Project investigation costs, included in the Statements of Loss and Comprehensive Loss, are related to costs incurred with respect to investigation and due diligence of potential business acquisitions and consist of the follow:

	2016	2015
Consulting fees	$ 6,000	$ 1,000
Legal costs	24,718	-
Travel costs	8,529	-
	$ 39,247	$ -

CERTIFICATE OF THE ISSUER

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

Dated at Vancouver, British Columbia, this 31 day of July, 2018.

/s/ Simon Moore
Simon Moore
Chief Executive Officer

/s/ Rich Wheeless
Rich Wheeless
Chief Financial Officer

/s/ Owen King
Owen King
Director

/s/ Garry Stock
Garry Stock
Director