YNVISIBLE INTERACTIVE INC.
(formerly Network Exploration Ltd.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three Months Ended March 31, 2018 and 2017

(UNAUDITED)

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements

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

The accompanying unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2018 have been prepared by and are the responsibility of the Company’s management. The Company’s external auditors have not performed a review of these condensed consolidated interim financial statements.

YNVISIBLE INTERACTIVE INC.
(formerly Network Exploration Ltd.)

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

		As at		
		March 31, 2018		December 31, 2017
ASSETS				
Current assets				
Cash	**$**	**3,704,325**	$	3,453
Amounts receivable		**300,972**		184,534
Prepaid expenses		**281,250**		-
Total current assets		**4,286,547**		187,987
Non-current assets				
Deposits		**14,812**		637
Fixed assets		**7,792**		4,695
Intangible assets		**32,881**		32,881
Total non-current assets		**55,485**		38,213
Total assets	**$**	**4,342,032**	$	226,200
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 8)	**$**	**896,452**	$	1,084,761
Deferred Project Grants		**961,513**		95,881
Loans payable (Note 7)		**-**		771,934
Total Current liabilities		**1,857,965**		1,952,576
Long-term liabilities		**277,020**		316,122
Total Liabilities		**2,134,985**		2,268,698
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (Note 9)		**8,905,438**		2,154,178
Share-based payments reserve		**793,600**		-
Deficit		**(7,613,847)**		(4,425,165)
Accumulated Other Comprehensive Income		**121,856**		228,489
Total shareholders' equity (deficiency)		**2,207,047**		(2,042,498)
Total liabilities and shareholders' equity (deficiency)	**$**	**4,342,032**	$	226,200

Note 1 - Corporate Information and Going Concern

Approved and authorized for issue on behalf of the Board of Directors on May 30, 2018:

"Jani-Mikael Kuusisto"	"Alexander Helmel"
Director	Director

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

YNVISIBLE INTERACTIVE INC.
(formerly Network Exploration Ltd.)

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended			
		March 31, 2018		March 31, 2017
Expenses				
Depreciation	**$**	**1,679**	$	1,403
Compensation and Consulting (Note 8)		**631,318**		127,658
Interest and bank charges (Note 7)		**17,193**		8,118
Office facilities and services		**4,031**		-
Professional fees		**278,986**		-
Share-based compensation (Notes 8, 9)		**793,600**		-
Supplies and external services		**236,411**		44,508
Transfer and listing fees		**71,643**		-
Travel and project investigation		**13,179**		-
Total operating expenses		**(2,048,040)**		(181,687)
Other (expense) income				
Income and gains		**16,333**		1,385
Expenses and losses		**(44,296)**		(22,453)
Operating Subsidies		**78,037**		22,150
RTO transaction fees		**(1,199,141)**		-
Test production revenue		**8,425**		28,792
Total other (expense) income		**(1,140,642)**		29,874
Loss before income taxes		**(3,188,682)**		(151,813)
Income tax expense		**-**		(235)
Net loss for the period		**(3,188,682)**		(152,048)
Other comprehensive income (loss)				
Foreign currency translation adjustment		**(106,633)**		6,323
Total comprehensive loss for the period	**$**	**(3,295,315)**	$	(145,725)
Basic and diluted loss per share	**$**	**(0.07)**	$	(0.03)
Weighted average number of common shares outstanding		**43,474,406**		4,932,261

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

YNVISIBLE INTERACTIVE INC.
(formerly Network Exploration Ltd.)

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited - Expressed in Canadian Dollars)

	Common Shares					
	Class A Number	Class A Amount	Share-based Payments Reserve	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficiency)
Balance, December 31, 2017	10,807,704	$ 2,154,178	$ -	$ (4,425,165)	$ 228,489	$ (2,042,498)
Shares issued for RTO (Note 6)	24,650,950	2,254,063	-	-	-	2,254,063
Shares issued by prospectus (Note 9)	15,333,332	4,600,000	-	-	-	4,600,000
Shares issued for finder's fees for RTO (Note 6)	1,340,881	402,264	-	-	-	402,264
Shares issued for finder's fees for private placement (Note 9)	83,333	25,000	-	-	-	25,000
Share issue costs	-	(530,067)	-	-	-	(530,067)
Share-based compensation	-	-	793,600	-	-	793,600
Net loss for the period	-	-	-	(3,188,682)	-	(3,188,682)
Other comprehensive loss	-	-	-	-	(106,633)	(106,633)
Balance, March 31, 2018	**52,216,200**	**$ 8,905,438**	**$ 793,600**	**$ (7,613,847)**	**$ 121,856**	**$ 2,207,047**

Balance, December 31, 2016	4,932,261	$ 2,154,178	$ -	$ (3,261,110)	$ -	$ (1,106,932)
Net loss for the period	-	-	-	(152,048)	6,323	(145,725)
Balance, March 31, 2017	4,932,261	$ 2,154,178	$ -	$ (3,413,158)	$ 6,323	$ (1,252,657)

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

YNVISIBLE INTERACTIVE INC.
(formerly Network Exploration Ltd.)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended	
	March 31, 2018	March 31, 2017
Operating activities		
Net loss for the period	**$ (3,188,682)**	$ (152,048)
Items not involving the use of cash		
Depreciation	**1,679**	1,403
Interest on loans payable	**14,564**	2,264
Share-based compensation	**793,600**	-
RTO transaction fees	**717,074**	-
Changes in working capital items:		
Amounts receivable	**39,488**	1,894
Prepaid expenses	**(211,250)**	-
Deposits	**(80)**	-
Accounts payable and accrued liabilities	**(406,002)**	157,421
Deferred Project Grants	**865,632**	-
Cash used in operating activities	**(1,373,977)**	10,934
Investing activities		
Purchase of fixed assets	**(4,776)**	-
Investments in intangible assets	**-**	(9,684)
Cash used in investing activities	**(4,776)**	(9,684)
Financing activities		
Proceeds on issuance of shares	**4,600,000**	-
Share issue costs paid by cash	**(102,803)**	-
Loan proceeds received	**-**	37,653
Cash acquired in RTO	**1,691,978**	-
Loans repaid	**(963,815)**	-
Long-term liabilities repaid	**(39,102)**	-
Cash provided by financing activities	**5,186,258**	37,653
Effect of Exchange Rate Changes on Cash	**(106,633)**	(18,989)
Increase in cash	**3,700,872**	19,914
Cash, beginning of period	**3,453**	28,969
Cash, end of period	**$ 3,704,325**	$ 48,883
Non-Cash Transactions		
Shares issued for RTO (Note 6)	**$ 2,254,063**	$ -
Shares issued for finder's fees for RTO (Note 6)	**$ 402,264**	$ -
Shares issued for finder's fees for private placement (Note 9)	**$ 25,000**	$ -

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

1. CORPORATE INFORMATION AND GOING CONCERN

Ynvisible Interactive Inc. (formerly Network Exploration Ltd.) (the "Company") was incorporated on September 2, 1983 under the laws of British Columbia, Canada. The address of the Company's head office and principal place of business is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6, and the registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. The Company's principal business activity previously was the exploration and evaluation of minerals in its mineral properties.

On January 19, 2018, the Company completed a transaction with YD Ynvisible S.A. (the "Subsidiary"), whereby the Company acquired 94.19% of the issued and outstanding Class A common shares of the Subsidiary, which constituted a reverse takeover (see Note 6). The Company changed its name to Ynvisible Interactive Inc. on January 11, 2018, and its principle business activity is now the development and sale of electro chromatic displays. The Company's shares, which were halted from trading since announcing the reverse takeover on May 2, 2016, resumed trading on the TSXV on January 23, 2018 under the symbol "YNV".

On February 15, 2018, the Company elected to change its fiscal year-end to December 31, 2018 to align its reporting periods with the industry standard calendar year-end.

These unaudited condensed consolidated interim financial statements have been prepared by management on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. During the three months ended March 31, 2018, the Company incurred a net loss of $3,188,682 (2017 - $152,048) and as at March 31, 2018, has an accumulated deficit of $7,613,847 (2017 - $3,413,158).

The Company's ability to continue as a going concern, to fund work commitments and to ensure adequate working capital is dependent upon achieving profitable operations or upon obtaining sufficient additional financing. These factors may cast significant doubt on the Company's ability to continue as a going concern. While the Company is expending its best efforts in this regard, the outcome of these matters cannot be predicted at this time. These unaudited condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS"), Interim Financial Reporting ("IAS 34").

Basis of Measurement and Presentation

These unaudited condensed consolidated interim financial statements have been prepared on a continuity of interest basis once the reverse takeover transaction referred to in Note 6 occurred.

The Company's unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The comparative figures presented in these unaudited interim financial statements are in accordance with IFRS. Certain comparative figures may have been reclassified to conform to the current period's presentation.

2. BASIS OF PRESENTATION (continued)

Basis of Measurement and Presentation **(continued)**

The preparation of unaudited condensed consolidated interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates and the exercise of management's judgment in applying the Company's accounting policies. Areas involving a high degree of judgment or complexity and areas where assumptions and estimates are significant to the Company's unaudited condensed consolidated interim financial statements are discussed in Note 5.

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its 94.19% owned subsidiary: YD Ynvisible SA (the "Subsidiary") incorporated in Portugal. All intercompany transactions and balances have been eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis using the accrual basis of accounting, except for cash flow information and as otherwise specified, as set out in the accounting policies below.

Foreign Currency Translation

The functional currency of the Company is the Canadian dollar. The Company's functional currency is also the presentation currency. The Subsidiary's functional currency is the European Euro.

Transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. The Company translates monetary assets and liabilities denominated in foreign currencies at period-end rates. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates in effect during the period except for depreciation which is translated at historical rates. The resulting gains or losses are reflected in profit or loss in the period of translation.

At the entity level, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate in effect at the financial position date and non-monetary assets and liabilities are translated at the exchange rates in effect at the date of the transaction. Income and expenses are translated at rates approximating the exchange rates in effect at the time of the transactions. All exchange gains and losses are credited or charged to profit or loss in the period in which they arise.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, short-term, highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Share Capital

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Payments

The Company has a stock option plan under which it grants stock options to directors, employees and consultants.

Share-based payments are recorded as expenses for all options granted to employees, or to those providing similar services, at the fair value of the equity instruments over the vesting period, with a corresponding increase in share-based payments reserve. Each transfer in an award is considered separately with its own vesting date and grant date fair value. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant.

For awards with vesting conditions, a forfeiture rate is recognized at the grant date and is adjusted to reflect the number of awards expected to vest. As the options are exercised, the consideration paid, together with the amount previously recognized in share-based payments reserve, is recorded as an increase in share capital.

For equity-settled stock-based payments to non-employees, the Company measures the value of the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.

The Company has no cash-settled share-based payment transactions.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss).

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences, and the carry forward of non-capital losses, can be utilized.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax (continued)

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered and/or the carrying value of temporary differences exceed their tax basis.

Loss per Share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings/loss per share reflect the potential dilution of outstanding stock options and warrants that could share in the earnings of the Company. In a loss period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

ACCOUNTING POLICIES ADOPTED DURING THE PERIOD

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is applicable for periods beginning on or after January 1, 2018. The Company has adopted the standard as of January 1, 2018. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company’s new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES ADOPTED DURING THE PERIOD (continued)

IFRS 9 Financial Instruments **(continued)**

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Amounts receivable	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost
Long-term liabilities	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated interim statement of comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES ADOPTED DURING THE PERIOD (continued)

IFRS 9 Financial Instruments **(continued)**

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated interim statement of comprehensive income (loss).

IFRS 15 Revenue from Contracts with Customers

The Company adopted all of the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") as of January 1, 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract, regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. The change did not impact the revenue recognized or the related assets and liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 15:

Revenue is recognized when the earnings process is complete, as evidenced by an agreement between the customer and the Company, when delivery has occurred, when the fee is fixed or determinable and when collection is reasonably assured. Amounts received from customers in advance of revenue recognition are deferred as deferred revenue liabilities. The Company presents revenues net of taxes collected from customers at the time of sale to be remitted to governmental authorities, including sales and use taxes. No element of financing is deemed present as the sales are made with credit terms standard for the market.

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 15 resulted in no impact to the opening deficit nor to the opening balance of comprehensive income on January 1, 2018.

Intangible Assets

Intangible assets acquired as a result of the RTO business combination (see Note 6) are accounted for at fair value as of the date of acquisition less accumulated amortization in accordance with IFRS 3 Business Combinations and IAS 38 Intangible Assets. Intangible assets including patents are amortized straight-line over their remaining life. Amortization begins when the patent is granted. No amortization is taken on patents pending.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee continuously issue certain new standards and interpretations. The Company has not adopted the following standards and is in the process of evaluating the impact that these standards will have on the financial statements:

IFRS 16 Leases

IFRS 16 replaces the previous leases standard, IAS 17 Leases, and interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, lessee and lessor. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 Revenue from Contracts with Customers. The Company is in the process of evaluating the impact that these standards will have on the financial statements.

5. CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

When preparing the financial statements in conformity with IFRS, management undertakes a number of judgments, estimates and assumptions about the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

a. The amounts disclosed related to fair values of stock options and warrants issued and the resultant effects on profit or loss are based on estimates of future volatility of the Company's share price, expected lives of the options and expected dividends.

b. The valuation of deferred income tax assets is based on estimates of the probability of the Company utilizing certain tax pools and assets and on the impact of future changes in legislation, tax rates and interpretations by taxation authorities.

6. REVERSE TAKEOVER TRANSACTION

On January 19, 2018, the Company completed a transaction with its Subsidiary (See Note 1) whereby the Company acquired 94.19% of the issued and outstanding common shares of the Subsidiary through the issuance of a total of 25,991,831 Class A common shares, which acquisition constitutes a reverse takeover ("RTO") pursuant to the policies of the TSX Venture Exchange.

The RTO was completed pursuant to the terms of a share exchange agreement dated effective July 19, 2016, as amended, (the "Share Exchange Agreement") among the Company, the Subsidiary and certain shareholders of the Subsidiary. In consideration of the acquisition of 94.19% of the Subsidiary's shares, and pursuant to the terms of the Share Exchange Agreement, the Company issued 24,650,950 Class A common shares of the Company.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. REVERSE TAKEOVER TRANSACTION (continued)

The Company is the acquiree (the "Target") and the Subsidiary is acquirer in the RTO. The acquisition of the Subsidiary by the Company constitutes a reverse asset acquisition as the Company does not meet the definition of a business, as defined in IFRS 3, Business Combinations. Accordingly, as a result of the RTO, the consolidated interim statements of financial position have been adjusted for the elimination of the Company's share capital of $18,813,444, share-based payments reserve of $762,213 and accumulated deficit of $17,939,668, all within shareholders' equity as of the date of acquisition.

The Company accounted for the assets and liabilities acquired in the RTO as follows:

Total Purchase Price:		
24,650,950 Class A common shares of the Company	$	2,254,063

Allocation of purchase price		**January 19, 2018**
Cash	$	1,691,978
Accounts receivable		6,136
Prepaid expenses		70,000
Deposits		14,095
Loans receivable		149,790
Accounts payable and accrued liabilities		(217,693)
Loans payable		(177,317)
Net Assets of the Target		1,536,989
RTO transaction fees		717,074
	$	2,254,063

The Company also issued 1,340,881 Class A common shares at a deemed price of $0.30 per Class A common share to an arm's length finder as payment of a finder's fee in connection with the RTO. The finder's fees Class A common shares' value of $402,264 is included in the RTO transaction costs of $482,067 in the consolidated interim statement of comprehensive loss.

7. LOANS PAYABLE

Loans payable are unsecured, payable on demand, and bear interest at rates of either 1% or 1.5% per month.

During the three months ended March 31, 2018, the Company recorded $14,564 (2017 - $2,264) in interest expense.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

8. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and measured at the amounts established and agreed to by the related parties.

Key Management Compensation

		Three Months Ended March 31, 2018		Three Months Ended March 31, 2017
Consulting and management fees – cash	**$**	**98,491**	$	72,595
Consulting and management fees – share-based compensation		**387,890**		-
	$	**486,381**	$	72,595

As at March 31, 2018, accounts payable and accrued liabilities include $219,836 (2017 - $188,623) due to officers and directors. Trade and other payable amounts due to related parties are unsecured, and have no specified terms of repayment.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. SHARE CAPITAL

Authorized

Unlimited number of Class A common shares without par value
Unlimited number of Class B non-voting convertible common shares without par value, convertible to Class A common shares on a one for one basis.

Issued

On January 19, 2018, the Company completed a transaction with its Subsidiary (See Notes 1 and 6) whereby the Company acquired 94.19% of the issued and outstanding Class A common shares of the Subsidiary through the issuance of a total of 25,991,831 Class A common shares, which acquisition constitutes a reverse takeover transaction ("RTO") pursuant to the policies of the TSX Venture Exchange. The other 5.81% ownership stake of the Subsidiary is held by unidentified shareholders from when the Subsidiary was previously publicly traded on the Frankfurt Stock Exchange in Germany (the "Minority Shareholders"). The Minority Shareholders are now the subject of a compulsory exchange or "squeeze-out" of their shares in the Subsidiary on a one-for-one basis for the Class A common shares of the Company.

9. SHARE CAPITAL (continued)

Issued (continued)

On January 19, 2018, the Company closed a prospectus offering, including the full exercise of the over-allotment option, raising gross proceeds of $4,600,000 for the Company. Haywood Securities Inc. (the "Agent") acted as agent with respect to the sale of 15,333,332 Shares at a price of $0.30 per Class A common share (the "Offering"). The Class A common shares were sold pursuant to an agency agreement dated December 27, 2017 among the Company, the Subsidiary and the Agent (the "Agency Agreement"). In consideration for the services performed by the Agent under the Agency Agreement, the Company paid the Agent a cash commission equal to 7.5% of gross proceeds raised from purchasers not on the president's list, comprised of investors introduced by the Company to the Agent (the "President's List"), and 2.5% of gross proceeds raised from purchasers on the President's List. In addition, the Company paid the Agent a corporate finance fee payable partially in cash and partially by way of issuing 83,333 Class A common shares, issued at a deemed price equal to $0.30 per Share. The Company also paid the reasonable expenses of the Agent.

The Company did not issue any Class A common shares during the year ended December 31, 2017.

Share Consolidation

On December 4, 2017, the Company consolidated its common shares on the basis of one new common share for every two old common shares held (the “Share Consolidation”). Subsequent to the Share Consolidation, the Company had 4,932,308 shares issued and outstanding. All references to the number of common shares and per common share amounts have been retroactively restated to reflect the Share Consolidation.

Escrow Shares

As at March 31, 2018, there are 13,432,801 Class A common shares were held in escrow (November 30, 2017 – Nil).

Stock Options

The Company has a fixed stock option plan, which follows the policies of the TSX Venture Exchange (“TSXV”) regarding stock option awards granted to employees, directors and consultants. According to the plan, the Company may grant incentive stock options up to a total of 10% of the Company’s issued and outstanding common shares issued.

On February 21, 2018, the Company granted 1,600,000 incentive stock options to employees and consultants of the Company at an exercise price of $0.40 per share. The options are exercisable for a period of one year (1,250,000 options) or five years (350,000 options). These options were given a fair value of $298,900 using the Black-Scholes Model and the following inputs: risk-free interest rate: 1.60% - 2.15%, expected forfeiture – 0%, expected volatility – 100%, dividend yield – Nil.

On January 19, 2018, the Company granted 2,200,000 incentive stock options to employees and consultants of the Company at an exercise price of $0.30 per share. The options are exercisable for a period of five years. These options were given a fair value of $494,700 using the Black-Scholes Model and the following inputs: risk-free interest rate: 2.03%, expected forfeiture – 0%, expected volatility – 100%, dividend yield – Nil.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

9. SHARE CAPITAL (continued)

Stock Options

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Three Months Ended March 31, 2018		Year Ended November 30, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning	-	$ -	-	$ -
Granted	3,800,000	$ 0.34	-	$ -
Exercised	-	$ -	-	$ -
Outstanding, end	3,800,000	$ 0.34	-	$ -

As at March 31, 2018, the following options were granted and vested:

EXPIRY DATE	WEIGHTED EXERCISE PRICE $	OPTIONS OUTSTANDING	WEIGHTED REMAINING CONTRACTUAL LIFE
January 19, 2023	0.30	2,200,000	4.81 years
February 21, 2019	0.40	1,250,000	0.90 years
February 21, 2023	0.40	350,000	4.90 years
	0.34	**3,800,000**	**3.53 years**

As at November 30, 2017, there were no stock options to purchase Class A common shares outstanding. The Company did not grant any stock options during the year ended November 30, 2017.

Warrants

As at March 31, 2018 and November 30, 2017, the Company did not have any warrants outstanding.

10. FAIR VALUES AND RISK MANAGEMENT

The Company's financial instruments consist of cash, amounts receivable, deposits, accounts payable and accrued liabilities, loans payable, and long-term liabilities. Cash is measured at fair value based on Level 1 input of the fair value hierarchy. The fair value of amounts receivable, deposits, accounts payable and accrued liabilities, loans payable, and long-term liabilities approximate their carrying values.

The Company is exposed to financial risks arising from its financial assets and liabilities. The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to minimal credit risk. The credit risk on cash is low because the counterparties are highly rated banks.

10. FAIR VALUES AND RISK MANAGEMENT (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is exposed to minimal interest rate risk as the Company invests cash at floating rates of interest in highly liquid instruments, when applicable.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and loans payable are all current. The Company ensures that it has sufficient capital to meet short term financial obligations after taking into account its cash on hand.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company funds the operations of its Subsidiary in Portugal by using Euros converted from its Canadian bank accounts. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. Based on the Company's Euro denominated financial instruments at March 31, 2018, a 10% change in exchange rates between the Canadian dollar and the Euro would result in a $260,028 change in foreign exchange gain or loss.

11. CAPITAL MANAGEMENT

Management determines the Company's capital structure and makes adjustments to it based on funds available to the Company, in order to support its business operations. The Board of Directors has not established quantitative return on capital criteria for capital management but rather relies upon the expertise of the management team to sustain the future development of the business.

As the Company does not generate any revenue, the Company is dependent upon external financing to fund both future projects and its administrative costs. The Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new projects and to seek to acquire an interest in additional projects, if management feels there is sufficient geologic or economic potential, provided it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable. There have been no changes in the Company's approach to capital management during the three months ended March 31, 2018.

The Company is not subject to externally imposed capital requirements.

12. COMMITMENTS

Office Lease

The Company has an office lease agreement expiring June 30, 2021 and is committed to total monthly basic rental payments averaging $4,292 from July 1, 2016 to June 30, 2021, of which a portion is recoverable from companies with a common director and other companies for sharing office space. Pursuant to the lease agreement, the Company has paid $14,095 in a security deposit.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

13. SEGMENTED DISCLOSURE

At March 31, 2018, the Company's assets, liabilities and comprehensive loss are geographically located as follows:

		Portugal and Europe		Canada		Total
ASSETS						
Current assets						
Cash	$	466,004	$	3,238,321	$	3,704,325
Amounts receivable		268,647		32,325		300,972
Prepaid expenses		-		281,250		281,250
Total current assets		**734,651**		**3,551,896**		**4,286,547**
Non-current assets						
Deposits		717		14,095		14,812
Fixed assets		7,792		-		7,792
Intangible assets		32,881		-		32,881
Total non-current assets		**41,390**		**14,095**		**55,485**
Total assets	**$**	**776,041**	**$**	**3,565,991**	**$**	**4,342,032**
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	$	677,968	$	218,484	$	896,452
Deferred Project Grants		961,513		-		961,513
Total current liabilities		**1,639,481**		**218,484**		**1,857,965**
Long-term liabilities		**277,020**		**-**		**277,020**
Total liabilities	**$**	**1,916,501**	**$**	**218,484**	**$**	**2,134,985**
Comprehensive loss for the three months ended March 31, 2018	**$**	**544,032**	**$**	**2,751,283**	**$**	**3,295,315**

At March 31, 2017 and November 30, 2017, all of the Company's assets, liabilities and comprehensive loss were located in Portugal and Europe.