Bitumen Capital Inc. - Capital Bitumen Inc.

Condensed Interim Financial Statements
for the three and six months ended
June 30, 2017

(Unaudited – Expressed in Canadian Dollars)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Bitumen Capital Inc. are the responsibility of the Company's management. The financial statements reflect management's best estimates and judgment based on information currently available.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended June 30, 2017.

Montreal, Quebec
August XX, 2017

Bitumen Capital Inc. -
Capital Bitumen Inc.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
As at

		June 30, 2017 (Unaudited)		December 31, 2016 (Audited)
Assets				
Current				
Cash	$	638	$	937
Sales taxes recoverable		5,598		21,519
Prepaid Expenses		-		480
Total Assets	$	6,236	$	22,936
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 7)	$	114,992	$	83,633
Loans from Director (Note 7)		8,345		10,481
Total Liabilities		123,337		94,114
Shareholders' Equity				
Share Capital (Note 3)		931,853		931,853
Contributed Surplus (Note 3)		374,433		374,433
Deficit		(1,423,387)		(1,377,464)
		(117,101)		(71,178)
Total Shareholders’ Equity and Liabilities	$	6,236	$	22,936

Going Concern (Note 1)
Commitments and Contingency (Note 7)
Subsequent Events (Note 8)

The accompanying notes are an integral part of these financial statements

Approved on Behalf of the Board

______________________________, ***Director***

______________________________, ***Director***

Bitumen Capital Inc. -
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Condensed Statement of Loss and Comprehensive Loss (Unaudited - Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	June 30, 2017	**June 30, 2016**	**June 30, 2017**	**June 30, 2016**
Expenses				
Bookkeeping and Administration	**3,750**	3,937	**7,500**	7,687
Rent and Domiciliary Services	**-**	-	**-**	1,250
Professional Fees	**6,690**	20,235	**11,475**	22,215
Transfer Agent, listing and filing fees	**21,809**	6,909	**25,622**	9,096
Travel Expenses	**1,001**	5,867	**1,001**	20,905
Other general expenses	**147**	1,509	**325**	9,563
Total Expenses	**33,397**	38,457	**45,923**	70,716
Net Loss and Comprehensive Loss for the period	**$ (33,397)**	$ (38,457)	**$ (45,923)**	$ (70,716)
Loss Per Share - Basic and Diluted	**$ (0.005)**	$ (0.007)	**$ (0.007)**	$ (0.01)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	**6,700,001**	5,900,001	**6,700,001**	5,900,001

The weighted average number of common shares outstanding does not include 7,250,000 common shares deposited in escrow (June 30, 2016 – 7,250,000) (see Note 3).

The accompanying notes are an integral part of these financial statements

Bitumen Capital Inc. -
Capital Bitumen Inc.

Condensed Statements of Changes in Shareholder Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital						
	# of Shares		**Amount**		**Contributed Surplus**	**Deficit**	**Total**
Balance January 1, 2016	**13,150,001**	**$**	**871,853**	**$**	**374,433**	**$ (1,226,455)**	**$ 19,831**
Shares Issued	800,000		60,000				60,000
Net loss and comprehensive loss for the period						(70,716)	(70,716)
Balance June 30, 2016	**13,950,001**	**$**	**931,853**	**$**	**374,433**	**$(1,297,171)**	**$ 9,115**
Net loss and comprehensive loss for the period						(80,293)	(80,293)
Balance December 31, 2016	**13,950,001**	**$**	**931,853**	**$**	**374,433**	**$ (1,377,464)**	**$ (71,178)**
Net loss and comprehensive loss for the period						(45,923)	(45,923)
Balance June 30, 2017	**13,950,001**	**$**	**931,853**	**$**	**374,433**	**$(1,423,387)**	**$(117,101)**

The accompanying notes are an integral part of these financial statements

Bitumen Capital Inc. - Capital Bitumen Inc.

Condensed Statements of Cash Flows (Unaudited - Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Cash Flows from Operating Activities				
Net loss for the period	$ **(33,397)**	$ **(38,457)**	$ **(45,923)**	$ **(70,716)**
Changes in non-cash working capital				
Sales taxes recoverable	**18,005**	**(5,366)**	**15,921**	**(9,877)**
Accounts payable and accrued liabilities	**21,843**	**20,658**	**31,359**	**18,163**
Prepaid Expenses	**-**	**(22,120)**	**480**	**(19,704)**
Cash Flows from Financing Activities				
Subscription proceeds for common shares issued	**-**	**40,000**	**-**	**60,000**
Increase in loans from Director	**(6,358)**	**-**	**(2,136)**	**-**
Decrease in Cash	**(93)**	**(5,285)**	**(299)**	**(22,134)**
Cash Beginning of Period	**545**	**5,743**	**937**	**22,592**
Cash End of Period	**$ 638**	**$ 458**	**$ 638**	**$ 458**

The accompanying notes are an integral part of these financial statements

1. Nature of Operations and Going Concern

Bitumen Capital Inc. (the "Company") was incorporated under the Canadian Business Corporation Act on March 17, 2006. The Company is classified as a capital pool company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Listings Policy 2.4. The Company's registered address is 500 Place d'Armes, Suite 1800, Montreal, Quebec, H2Y 2W2.

The Company completed an initial public offering ("IPO") effective March 13, 2007. The principal business of the Company will be the identification and evaluation of companies, business or assets with a view to completing a Qualifying Transaction defined in Policy 2.4 of the TSX Venture Exchange Inc. ("TSX Venture"). On December 18, 2008, the Company applied for an extension to its March 13, 2009 deadline to complete a Qualifying Transaction and on January 7, 2009 the TSX Venture granted a 6-month extension. The Company was required to complete its Qualifying Transaction on or before September 14, 2009, however the Company did not achieve this and was suspended on the TSX Venture Exchange. Any potential Qualifying Transaction will be subject to shareholder and regulatory approval. Completion of a Qualifying Transaction was not concluded within the required 90 days following suspension; therefore the shares were transferred to the NEX Board and began trading under the symbol BTM.H on December 29, 2009.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders and the ability of the Company to obtain necessary equity or debt financing to continue operations. As of June 30, 2017, the Company had an accumulated deficit of $1,423,387 as wells as current liabilities exceeding current assets by $117,101. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company has identified a Qualifying Transaction as described in Note 8 and expects to incur further losses until the completion of its Qualifying Transaction. There is no assurance that the Company will finalize a Transaction.

2. Significant Accounting Policies

(a) Basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Interpretations Committee ("IFRIC").

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Other measurement bases used are described in the applicable notes.

The Company's functional and presentation currency is the Canadian dollar. The financial statements were authorized for issuance by the Board of Directors of the Company on August 8, 2017.

2. Significant Accounting Policies (cont'd)

(b) Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it does not recognize that excess.

(c) Loss per Share

Basic loss per share is calculated using the weighted average number of shares outstanding during the period. The Company uses the treasury stock method for calculating the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized for the use of proceeds that could be obtained upon the exercise of options, warrants or similar instruments. It assumes that the proceeds would be used to purchase common shares at an average market price during the year. The diluted loss per share is equal to the basic loss per share due to the anti-dilutive effect of these elements.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares since their release is not subject only to the passage of time.

(d) Financial Instruments

Financial Assets

Financial Assets are classified into one of four categories:
1) Fair Value through profit or loss ("FVTPL");
2) Held-to-Maturity ("HTM");
3) Loans and receivables; and
4) Available for sale ("AFS").

2. Significant Accounting Policies (cont'd)

(d) Financial Instruments (cont'd)

The classification is determined at initial recognition and depends on the purpose for which the asset was acquired. The Company has no financial assets at FVTPL, HTM and AFS. The Company's accounting policy for its financial assets is as follows:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Transaction costs incurred to acquire loans and receivables financial instruments are included in the underlying balance. The Company has classified cash as loans and receivable.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:
a) significant financial difficulty of the issuer or counterparty; or
b) default or delinquency in interest or principal payments; or
c) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities

Financial Liabilities are classified into one of two categories:

1. Fair Value through profit or loss; and
2. Other financial liabilities

The Company has no financial liabilities at FVTPL.

2. Significant Accounting Policies (cont'd)

(d) Financial Instruments (cont'd)

Other financial liabilities

These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. This category includes accounts payable, accrued liabilities and loans from Director.

(e) Share based payments

Equity-settled share based payments for directors, officers, and employees are measured at fair value of the equity instruments at the date of grant and recorded as compensation expense in the statement of loss and comprehensive loss. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of shares that are expected to vest.

Equity instruments granted to non-employees are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

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.

(f) Amendments and Interpretations Not Yet Effective

IFRS 9 - Financial Instruments

IFRS 9 amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS 9 introduces an expected loss model of impairment and retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The effective date for IFRS 9 is January 1st, 2018. The Company is in the process of evaluating the impact of the new standard, but until the Company completes its Qualifying Transaction, it does not expect that the standard will have a material impact.

(Unaudited-Expressed in Canadian Dollars)

2. Significant Accounting Policies (cont'd)

(f) Amendments and Interpretations Not Yet Effective (cont'd)

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 is based on the core principle to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 focuses on the transfer of control. IFRS 15 replaces all of the revenue guidance that previously existed in IFRSs. The effective date for IFRS 15 is January 1st, 2018. The Company is in the process of evaluating the impact of the new standard, but until the Company completes its Qualifying Transaction, it does not expect that the standard will have a material impact.

3. Share Capital and Contributed Surplus

(a) Authorized - Unlimited number of common shares without par value.

(b) Issued and Outstanding

	Number of Shares		Amount		Contributed Surplus
As at December 31, 2015	13,150,001	$	871,853	$	374,433
Issuance of shares @ 0.075	800,000	$	60,000		-
As at June 30, 2016	13,950,001	$	931,853	$	374,433
As at June 30, 2017	13,950,001	$	931,853	$	374,433

Shares held in escrow

Pursuant to an escrow agreement ("Escrow Agreement") dated as of November 27, 2006 among the Corporation, Computer Share Investor Services Inc. and certain shareholders of the Company, 7,250,000 (June 30, 2016 – 7,250,000) of the issued and outstanding Common Shares were deposited in escrow. Under the Escrow Agreement, 10% of the Common Shares in escrow will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the 6 months, 12 months, 18 months, 24 months, 30 months anniversary and 36 months following the Initial Release.

If the Resulting Issuer meets the TSX Venture's Tier 1 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made an application to the TSX Venture for listing as a Tier 1 issuer and the TSX Venture has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the TSX Venture.

(Unaudited-Expressed in Canadian Dollars)

3. Share Capital and Contributed Surplus (cont'd)

Stock options

On November 27, 2006, the Company adopted an incentive stock option plan in accordance with the policies of TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to directors, officers, employees and technical consultants of the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares as at the time of the Initial Public Offering ("IPO"), exercisable for a period of up to five years. The Board of Directors determines the price per common shares and the number of common shares which may be allotted to each director, officer, employee and other key personnel of the Corporation and all other terms and conditions of the option, subject to the rules of TSX Venture.

The following table summarized the Company's director's options outstanding and vested and exercisable:

	# of options	Expiry Date	Exercise Price	
As at January 1, 2016 (i) & (iii)	1,315,000	October 17, 2017 & October 7, 2020	$	0.10
As at June 30, 2016	1,315,000	October 17, 2017 & October 7, 2020	$	0.10
Expiry of options (ii)	(195,000)	October 17, 2017 & October 7, 2020	$	0.10
As at June 30, 2017	1,120,000	October 17, 2017 & October 7, 2020	$	0.10

The weighted average exercise price of the director's options is equivalent to the exercise price as at June 30, 2017 and 2016.

Options have been excluded from the calculation of the diluted loss per share for the period since they are anti-dilutive.

(i) On October 17, 2012, 1,300,000 options were granted to directors of the Company at an exercise price of $0.10 per share and expiring 5 years from date of grant. These options did not include a vesting period. As at June 30, 2017, the remaining contractual life of the stock options was 0.25 years. The fair value of these options, using the Black-Scholes valuation model was $0.0171 per share.

(ii) On January 30, 2017, a Director resigned and thus 195,000 options expired 90 days following his resignation on April 30, 2017.

(iii) On October 7, 2015, 265,000 options were granted to directors of the Company at an exercise price of $0.10 per share and expiring 5 years from date of grant. These options did not include a vesting period. As at June 30, 2017, the remaining contractual life of the stock options was 3.25 years. The fair value of these options, using the Black-Scholes valuation model was $0.0132 per share.

The Company accounts for options granted under the Option Plan in accordance with the fair value based method of accounting for share-based payments. The estimated fair value of the options issued under the Plan was determined using the Black-Scholes calculation model at the grant date of October 7, 2015. During the year ended December 31, 2015, the Company recognized share-based payments of $3,498. The forfeiture rate estimated by the Company was Nil for all options granted based on the Company's historical data. Volatility was estimated based on the historical volatility of similar companies over a period equal to the expected life of the options.

4. Financial Instruments and financial risk management

Fair Value Measurements

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at June 30, 2017, the Company did not have any financial instruments measured at fair value. All financial instruments are measured at amortized cost using the effective interest rate method. The carrying value of all financial instruments held by the Company approximates their fair value due to their short term nature.

Risk Management

Overview

The Company could have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest Rate risk

The Board of Directors approves and monitors the risk management processes. There has been no change in the Company's risk management process for the periods ending June 30, 2017 and 2016.

4. Financial Instruments and financial risk management (cont'd)

Credit Risk

Credit risk represents the financial loss that the Company would experience if a counterparty to a financial instrument failed to meet its obligations to the Company. Cash consists of cash bank balances held in a major Canadian financial institution. As a result, there is no significant credit risk related to the Company's assets. The carrying amount of this financial asset represents the maximum credit exposure.

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 ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts and is available on demand.

As at June 30, 2017, the Company has accounts payable, accrued liabilities of $114,992 due within 30 days, loans from Director of $8,345 due upon demand and has cash of $638 which will not meet current obligations. As a result, the Company has some liquidity risk.

Interest Rate Risk

The Company is subject to interest rate risk on its cash. Fluctuations in interest rates have only an impact on the return that the cash generates as interest income. Unfavorable changes in the applicable interest rate may result in a decrease of interest income. Based on the Company's balance in cash at June 30, 2017, a 1% change in the effective interest rate on these investments would not have had a significant impact on the income of the Company.

5. Capital Management

As the Company is seeking business opportunities, its principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to develop new business opportunities for the benefit of its stakeholders. To meet the objectives, management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis. The Company is not subject to any externally imposed capital requirements unless otherwise noted.

The capital structure of the Company consists of cash and equity attributable to common shareholders, comprising of issued capital, stock options, contributed surplus and deficit. There has been no change in capital management for the period ended June 30, 2017.

As per Policy 2.4, Section 8.4 of the TSX Venture, it states that the proceeds raised from the issuance of the share capital may only be used to identify and evaluate assets or businesses for future investments, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of securities and $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the TSX Venture. As at June 30, 2017, the Company had cumulative interest revenues of $50,726, as well as the allotted $210,000 available for administrative expenses for a total of $260,726. As of June 30, 2017 and

5. Capital Management (cont'd)

2016, the Company had surpassed this amount and has informed the TSX Venture and NEX Exchanges of its current situation.

6. Related Party Transactions

The Company entered into an administrative services agreement with a company controlled by a director of the Company for $3,750 for the three month periods ending June 30, 2017 and 2016, these fees representing costs related bookkeeping services for the Company and recorded into the administrative expenses.

Included in accounts payable and accrued liabilities is $11,497 payable to directors of the Company (June 30, 2016 - $13,294).

The Company has loans from a shareholder and director in the amount of $8,345 (June 30, 2016 - nil). The loan is unsecured, with 8% interest, and due on demand.

During the periods of June 30, 2017 and June 30, 2016, there was no other compensation to key management.

The above transactions are in the normal course of operations and approximate fair value for the services rendered and agreed to by the related parties.

7. Commitments and Contingency

As described in Note 6, the Company has entered into an administrative services agreement with a company controlled by a director of the Company for $1,250 per month until the completion of the Qualifying Transaction. These fees represent costs related to bookkeeping services for the Company. During the period, the Company received correspondence from the securities exchange with respect to CPC regulations with regards to certain related party charges. Since the likelihood of the outcome cannot be determined at this time, no amount has been recorded on the financial statements. Management is of the opinion that there will be no significant impact on the Company's financial statements.

8. Qualifying Transaction

On April 19, 2017, the Company entered into a non-binding letter of intent (the "LOI") relating to a proposed business combination with Goliath Resources Limited ("Goliath") (the "Transaction"), a private company incorporated under the *Business Corporations Act* (Ontario). The proposed Transaction is intended to constitute an arm's length qualifying transaction (the "Qualifying Transaction") for the Company, as defined in Policy 2.4 of the Exchange. Upon completion of the Qualifying Transaction it is expected that the Company will be a Tier II Mining Issuer and its name changed to Goliath Resources Limited, subject to Exchange and regulatory approvals.

8. Qualifying Transaction (cont'd)

About the Transaction

Pursuant to the terms and conditions of the LOI, Bitumen and Goliath will complete a business combination by way of a reverse take-over or similar type of transaction and, in consideration of the proposed combination, Bitumen and Goliath will contribute 100% of their respective outstanding equity to the Resulting Issuer. Bitumen has agreed that prior to the Transaction, it will consolidate its issued and outstanding share capital on a 2:1 basis (the "Consolidation"), and that an amount of no more than $65,000 in debt will remain and may be carried over post Transaction. Notwithstanding anything to the contrary provided hereto, Bitumen might have to complete a pre-Transaction financing of approximately $55,000 to settle current indebtedness (the "Bitumen Financing"), the whole being subject to the Exchange's approval. The Bitumen Financing will be completed, if necessary, on the same terms and conditions as the Goliath Financing. Upon closing and approval of the Transaction, Bitumen will make an application for a name change to Goliath Resources Limited.

Following the completion of the Transaction, it is contemplated that the current shareholders of Goliath will own approximately 86.9% of the equity of the Resulting Reporting Issuer, whereas the current shareholders of Bitumen will own approximately 13.1% of the equity of the Resulting Reporting Issuer post debt conversion and post consolidation.

Bitumen's current market capitalization consists of 13,950,001 outstanding common shares and 1,120,000 outstanding options.

Bitumen has agreed that immediately prior to the Transaction and unless the above referenced $55,000 Bitumen Financing is required), it will have a maximum of 7,525,001 common shares and 657,500 options outstanding, even if this requires an increase in the proposed consolidation ratio. Furthermore, Bitumen has agreed that it will have no more than $65,000 in debt outstanding immediately prior to the Transaction, previously referenced as capped maximum, but that it will otherwise be debt-free.

It is contemplated that, immediately prior to the Transaction, Goliath's market capitalization will consist of approximately 44,370,000 outstanding common shares and 24,670,000 common share purchase warrants, and will be debt free.

Following the completion of the Transaction, the proforma capital structure of the Resulting Issuer be comprised of an aggregate number of 56,095,473 issued and outstanding common shares issued at a price of $0.10 per common share for total projected valuation of $5,609,547 along with an aggregate number of 35,130,000 issued and outstanding share purchase warrants and options.

The shares of the Company will remain halted until the completion of the Transaction.

Significant Closing Conditions

Closing and final acceptance of the Transaction are subject to the satisfaction of certain conditions, as per the terms of the LOI.