PRIME MERIDIAN RESOURCES CORP.

Consolidated Financial Statements

Year Ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

Management's Responsibility

To the Shareholders of Prime Meridian Resources Corp.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Audit Committee has the responsibility of meeting with management, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company’s external auditors.

MNP LLP is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board of Directors and the Audit Committee, and management to discuss their audit findings.

April 30, 2018

“Brian Leeners”	*“Gregory Pearson”*
Brian Leeners	**Gregory Pearson**

MNP LLP

Independent Auditors' Report

To the Shareholders of Prime Meridian Resources Corp.:

We have audited the accompanying consolidated financial statements of Prime Meridian Resources Corp., which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, and the consolidated statements of loss and other comprehensive loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Prime Meridian Resources Corp. as at December 31, 2017, December 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 of these consolidated financial statements, which state that Prime Meridian Resources Corp. incurred significant losses from operations, negative cash flows from operating activities and has an accumulated deficit. This, along with other matters described in Note 1, indicates the existence of a material uncertainty which may cast significant doubt about the ability of Prime Meridian Resources Corp. to continue as a going concern.

Vancouver, British Columbia

MNP LLP

April 30, 2018

Chartered Professional Accountants

PRIME MERIDIAN RESOURCES CORP.

Consolidated Statements of Financial Position
As at December 31, 2017 and 2016
Expressed in Canadian Dollars

	Notes		December 31, 2017		December 31, 2016
ASSETS					
Current Assets					
Cash and cash equivalents		$	**1,773**	$	69,647
Marketable securities	6		**7,000**		1,750
GST receivable			**-**		18,336
			8,773		89,733
Long-term Assets					
Advances receivable	7		**65,359**		273,873
Total Assets		$	**74,132**	$	363,606
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current Liabilities					
Accounts payable and accrued liabilities	9	$	**1,662,793**	$	941,552
Short-term loans	8		**846,512**		425,434
Payable to Primrose Drilling Ventures Ltd.	9		**640,899**		685,958
			3,150,204		2,052,944
Shareholders' deficiency					
Share capital	10		**7,198,408**		7,198,408
Contributed surplus			**2,061,425**		2,061,425
Accumulated other comprehensive loss			**(404,118)**		(438,936)
Deficit			**(11,931,787)**		(10,510,235)
			(3,076,072)		(1,689,338)
Total Liabilities and Shareholders' Deficiency		$	**74,132**	$	363,606

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors on April 30, 2018.

"Brian Leeners"   ***"Gregory Pearson"***

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Director   **Director**

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

PRIME MERIDIAN RESOURCES CORP.

Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2017 and 2016
Expressed in Canadian Dollars

	Notes		For the years ended December 31 2017		2016
Expenses					
Consulting and management fees	9	$	**380,819**	$	286,500
Foreign exchange loss			**(35,277)**		3,877
Insurance			**-**		2,264
Rent and administrative services	9		**146,442**		120,279
Professional fees	9		**42,823**		79,164
Transfer agent and filing fees			**12,406**		16,044
Interest expense	8		**227,405**		29,151
Total expenses			**774,618**		537,279
Loss before other income (expenses)			**(774,618)**		(537,279)
Other income (expense)					
Interest income			**740**		266
Gain on settlement of debt	9		**25,000**		-
Unrealized gain on marketable securities	6		**5,250**		250
Impairment of advances receivable	7		**(677,924)**		-
Total other income (expense)			**(646,934)**		516
Net loss for the year			**(1,421,552)**		(536,763)
Other comprehensive income					
Translation of subsidiary to presentation currency			**34,818**		19,791
Comprehensive loss for the year		$	**(1,386,734)**		(516,972)
Basic and diluted loss per share		$	**(0.07)**		(0.03)
Weighted average number of common shares outstanding			**21,475,422**		20,590,422

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

PRIME MERIDIAN RESOURCES CORP.

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016
Expressed in Canadian Dollars

	For the years ended December 31, **2017**	2016
Cash provided by (used in):		
Operating activities		
Net loss for the year	**$ (1,421,552)**	$ (536,763)
Items not affecting cash:		
Foreign exchange	**7,231**	5,774
Change in fair value of marketable securities	**(5,250)**	(250)
Gain on settlement of debt	**(25,000)**	-
Write-off of advances	**677,924**	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	**746,241**	413,652
GST Receivable	**18,336**	17,165
Accrued loan interests	-	-
Net cash used in operating activities	**(2,070)**	(100,422)
Investing activities		
Advances receivable	**(485,832)**	(273,873)
Net cash used in investing activities	**(485,832)**	(273,873)
Financing activities		
Loan proceeds	**486,844**	425,434
Loan interest repayment	**(66,816)**	-
Share subscriptions received	**-**	(70,000)
Shares issued for cash	**-**	88,500
Net cash provided by financing activities	**420,028**	443,934
Net (decrease) increase in cash and cash equivalents	**(67,874)**	69,639
Cash and cash equivalents, beginning of the year	**69,647**	8
Cash and cash equivalents, end of the year	**$ 1,773**	$ 69,647

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

PRIME MERIDIAN RESOURCES CORP.

Consolidated Statements of Changes in Shareholders' Deficiency
For the Years Ended December 31, 2017 and 2016
Expressed in Canadian Dollars

	Number of common shares outstanding	Share capital	Subscriptions received	Contributed surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2016	21,475,422	$ 7,198,408	$ -	$ 2,061,425	$ (438,936)	$ (10,510,235)	$ (1,689,338)
Translation of subsidiary to presentation currency	-	-	-	-	34,818	-	34,818
Loss for the year	-	-	-	-	-	(1,421,552)	(1,421,552)
Balance, December 31, 2017	**21,475,422**	**$ 7,198,408**	**$ -**	**$ 2,061,425**	**$ (404,118)**	**$ (11,931,787)**	**$ (3,076,072)**

	Number of common shares outstanding	Share capital	Subscriptions received	Contributed surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2015	20,590,422	$ 7,109,908	$ 70,000	$ 2,061,425	$ (458,727)	$ (9,973,472)	$ (1,190,866)
Shares issued	885,000	88,500	(70,000)	-	-	-	18,500
Translation of subsidiary to presentation currency	-	-	-	-	19,791	-	19,791
Loss for the year	-	-	-	-	-	(536,763)	(536,763)
Balance, December 31, 2016	21,475,422	$ 7,198,408	$ -	$ 2,061,425	$ (438,936)	$ (10,510,235)	$ (1,689,338)

1. Nature of operations and going concern

Prime Meridian Resources Corp. ("the Company" or "PMR") was federally incorporated on February 22, 2007 and is a public company listed on the TSX Venture Exchange ("TSX-V"). The corporate head office of the Company is located at 14th Floor, 1040 West Georgia Street, Vancouver, B.C., V6E 4H8. In August 2016, the Company's shares were halted from trading and the Company is currently in the process of resuming trading upon successful completion of a change in business and financing transaction.

In September 2016, the Company announced a change of business transaction focused on the acquisition of financing of companies in the agriculture and agriculture technology sectors in USA and South Africa. In March 2018, the Company terminated this proposed change of business (Note 14) and is currently pursuing other business opportunities.

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. As at December 31, 2017, the Company had no source of operating cash flows and reported comprehensive loss for the year of $1,421,552 (December 31, 2016 – loss of $536,763), working capital deficit of $3,141,431 (December 31, 2016 - $1,963,211), has an accumulated deficit of $11,931,787 (December 31, 2016 - $10,510,235). These factors indicate a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern. Management has determined that the Company will require additional financing to meet its obligations for the next fiscal year. Continued operations are dependent on the Company's ability to complete equity financings and secure project debt financing. It is not possible to predict whether financing efforts will be successful. These consolidated financial statements do not include adjustments or disclosures that may result should the Company not be able to continue as a going concern.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements are audited and represent the annual consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB"), applicable to the preparation of consolidated financial statements. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Prime Meridian Resources Inc. and TryLine AG (Pty) Ltd. The Board of Directors approved these consolidated financial statements on April 30, 2018.

b) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency of the subsidiary in US is the United States dollar("USD") and the functional currency of the South African subsidiary is in South African Rand ("ZAR").

c) Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingency liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Key critical judgment in applying accounting policies:

<u>Going concern</u>

These consolidated financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast substantial doubt upon the soundness of this assumption. Refer to Note 1 for more details.

Key sources of estimation uncertainty:

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

Recoverability of advances receivable

The collectability of advances receivables involved judgment as the Company recognizes an allowance for doubtful accounts based on an analysis of collection history, the financial ability of the debtor to make payment and an assessment of specific identifiable balances considered at risk or uncollectible.

3. Significant accounting policies

The significant accounting policies of the Company are as follows:

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned and controlled subsidiary. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

b) Foreign currency translation

The functional currency of the parent company is the Canadian dollar, and the functional currency of the subsidiaries are the United States dollar and South African Rad. All amounts presented in the financial statements have been rounded to the nearest dollar.

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing are the dates of the transaction. Foreign exchanges gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statement of comprehensive loss.

Assets and liabilities of the subsidiary with a functional currency in United States dollars and South African Rad are translated at the year end rates of exchange, and the results of its operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in accumulated other comprehensive income as a separate component shareholders' equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are permanent in nature are included in accumulated other comprehensive income.

c) Cash and cash equivalents

Cash is comprised of cash on hand and deposits in banks. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

d) Impairment of non-financial assets

Non-financial assets are evaluated at the end of each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets, where the recoverable amount of the CGU is the greater of the CGU's fair value less costs to sell and its 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 to the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

e) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using the Black-Scholes option pricing model.

The fair value is estimated at grant date and each tranche is recognized on a graded-vesting basis over the period the options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in comprehensive loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

f) Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated by dividing profit or loss attributable to ordinary equity holders (numerator) by the weighted average number of ordinary shares outstanding (denominator) during the period. The denominator is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS.

g) Income taxes

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

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amount of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit or loss, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax liabilities are not recognized for taxable temporary differences arising on investments in subsidiaries where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future, or on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

h) Financial instruments

Financial assets

All financial instruments are required to be measured at fair value on initial recognition. The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

Fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through the statement of comprehensive loss. Cash and marketable securities are included in this category of financial assets.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available-for-sale and that are not classified in any of the other categories. Subsequent to initial recognition at fair value, they are measured at fair value and changes therein are recognized in accumulated other comprehensive income (loss) and presented within equity in accumulated other comprehensive loss. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to comprehensive loss. The Company does not have any available-for-sale financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date, and are carried at amortized cost, using the effective interest method, less any impairment. Loans and receivables are comprised of advances receivable.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, held with the intention of holding these investments to maturity and subsequently measured at amortized cost. These investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period. The Company has no financial assets classified as held-to-maturity investments.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence indicating that one or more events have had a negative impact on the estimated future cash flows of that asset. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

An impairment loss in respect of a financial assets measured at amortized cost is calculated as the difference between its carrying amount and the net present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale asset is calculated by reference to its fair value and any amounts in other comprehensive income are transferred to net loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

Gains or losses related to impairment or de-recognition are recognized in the statement of comprehensive loss in the period in which they occur. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Financial liabilities

The Company classifies its financial liabilities as other financial liabilities. Management determines the classification of its financial liabilities at initial recognition. Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of comprehensive loss over the period to maturity using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other financial liabilities include accounts payable and accrued liabilities, short-term loans, and payable to related parties.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issuance costs.

i) New accounting standards, amendments and interpretations issued but not yet effective:

The IASB issued the following standards, which are not yet effective and have not been applied in the preparation of these consolidated financial statements.

- The IASB issued IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instruments: Recognition and Measurement, on November 12, 2009. The new standard provides guidance on the classification and measurement of financial assets and financial liabilities. In November 2013, the IASB amended IFRS 9, IAS 39 and IFRS 7, Financial Instruments: Disclosures, to include the new hedge accounting requirements. In July 2014, the IASB completed the final element – hedge accounting with enhanced disclosures about risk management activities. The new standard will be effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. The Company has assessed the impact of IFRS 9 on its consolidated financial statements and they expect any impact to be immaterial.

- The IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15") in May 2014. The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company has assessed the impact of IFRS 15 on its consolidated financial statements and they expect any impact to be immaterial.

- This IFRS, which supersedes IAS 17 – Leases, specifies how to recognize, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15, has also been applied. The Company has assessed the impact of IAS17 on its consolidated financial statements and they expect any impact to be immaterial.

4. Capital management

The Company's objectives when managing capital are to:

- Ensure there are adequate capital resources to manage the Company's ability to continue as a going concern;
- Maintain adequate levels of funding to sustain the required current investments and any new capital investments;
- Maintain investor, creditor and market confidence to sustain future development of the business; and
- Provide returns to shareholders and benefits for other stakeholders.

The Company classifies its share capital and contributed surplus as capital, which at December 31, 2017 totalled $9,259,833 (December 31, 2016 - $9,259,833). The Board of Directors does not establish qualitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company will continue to assess new investments and seek to acquire an interest in investments if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

5. Financial instruments and financial risk management

a) Fair value

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted market prices, as appropriate, in the most advantageous market for that instrument to which the Company has immediate access. Where quoted market prices are not available, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics. The fair value of current financial instruments approximates their carrying values as long as they are short term in nature or bear interest at market rates.

b) Fair value hierarchy

Financial instruments that are held at fair value are categorized based on a valuation hierarchy which is determined by the valuation methodology utilized:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels 1 and 2 during the year.

The Company's financial instruments carried at amortized cost with the exception of cash and marketable securities. These instruments have been assessed on the fair value hierarchy described above and classified as Level 1.

c) Financial risks

(i) Interest rate risk

Interest rate risk consists of the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and cash equivalents consists primarily of cash held in bank accounts and loans payable are based on fixed interest rates. Therefore, fluctuation in market rates do not have a significant impact on estimated fair values as at December 31, 2017 and 2016.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extend expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the Canadian dollar including the US dollar and South African Rand. The Company had net monetary liabilities totaling $479,250 in US dollars and net monetary liabilities of $24,630 in South African Rand as at December 31, 2017. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the US dollar by 2% would increase or decrease net income (loss) by $12,025 and in the South African Rand by 2% would not significantly increase or decrease net income (loss) for the year ended December 31, 2017.

(iii) Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from its receivables. The Company's credit risk is primarily attributable to advances receivables. The Company made advances to a number of companies in connection with its proposed change of business plans (Note 7). The carrying amount of advances receivable, net of any allowances, represents the Company's maximum exposure to credit risk.

Expressed in Canadian Dollars

(iv) 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 manages liquidity risk by maintaining cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short term and long-term obligations. At December 31, 2017, the Company did not have sufficient cash on hand to pay its short-term creditors and does not generate cash from its operations. Accordingly, liquidity risk is considered high.

6. Marketable securities

In September 2014, the Company received 500,000 units of Bitterroot Resources Ltd., ("Bitterroot") with a fair value of $10,000 as partial proceeds on the sale of certain mineral property interests in Baraga Basin, Michigan. Each unit consists of one Bitterroot common share and one warrant, exercisable for two years at $0.10 per share. During the year ended December 31, 2015, the shares of Bitterroot were consolidated to 10:1, thus the number of shares the Company owns were adjusted to 50,000. Warrants expired unexercised on September 17, 2016.

As at December 31, 2017, the fair value of the shares had increased to $7,000 (December 31, 2016 – $1,750) and an unrealized gain on marketable securities of $5,250 was recognized in the consolidated statement of comprehensive loss during the year.

7. Advances receivable

In September 2016, the Company announced a change of business focused on the acquisition and financing of companies in the agriculture and agriculture technology sectors which consisted of agreements entered with four non-related party companies. The Company terminated the COB and as a result, recorded an allowance for doubtful accounts of $684,373 as management determined that the likelihood of collection was low.

At December 31, 2017, the total advances made by the Company consist of the following:

Advanced to:			In foreign currency
Avinier (Pty) Ltd.	$	CAD 170,029	ZAR 1,675,000
African Guar Gum Corp.		CAD 106,027	ZAR 1,044,500
APV Joint Venture		CAD 108,616	ZAR 1,070,000
Growbuddy, Inc		CAD 365,060	US 291,000
	$	749,732	
Allowance for doubtful accounts		(684,373)	
Balances, December 31, 2017	$	65,359	

At December 31, 2016, the total advances made by the Company consist of the following:

Advanced to:			In foreign currency
Avinier (Pty) Ltd.	$	CAD 68,586	ZAR700,000
African Guar Gum Corp.		CAD 68,586	ZAR700,000
APV Joint Venture		CAD 69,566	ZAR710,000
Growbuddy, Inc		CAD 67,135	US 50,000
Balances, December 31, 2016	$	278,873	

Avinier Investment

Avinier (Pty) Limited ("Avinier") owns and operates a blueberry farm in South Africa. Pursuant to the investment agreement (the "Avinier Agreement") executed on November 15, 2016, the Company has an option to provide financing of South African Rand ("ZAR") 73,630,000 to Avinier (the "Avinier Investment"), which is subject to TSX-V approval. Immediately following completion of the Avinier Investment, the Company will own 70% of the outstanding capital stock of Avinier on a fully diluted basis. The Company will have first right in the event that additional funding will be raised by the sale of capital stock in Avinier, to offer better terms or at minimum maintain its respective ownership in Avinier on the terms of the additional funding for capital stock of Avinier. The funding for the Avinier Investment will be used to:

- Finance the expansion of the blueberry plantation from 15 hectare to 105 hectare
- Finance the purchase of a cold storage a berry grading facility for the upgrade of the packing facility

At the execution of the Avinier Agreement, the Company provided a ZAR700,000 (equivalent to CAN$68,586) of refundable loan to Avinier (the "Avinier Loan Payment") which, upon Closing, will offset against final payment due upon Closing and if Closing does not take place within a reasonable period of time, the loan will be refunded to the Company on notice subject to annual interest rate set at LIBOR. The Avinier Loan Payment along with the Aldwych Engagement Agreement will trigger a 120-day exclusive period for the Company to complete the Avinier Investment. This 120-day exclusive period will be extended for a further 30-day period if the regulatory approvals process requires more time to complete. As at December 31, 2017, the Company advanced ZAR1,675,000 (December 31, 2016 – ZAR700,000) to Avinier.

In March 2018, the Company terminated the proposed change of business and management determined that the likelihood of collection of advances made was low. As a result, management recorded a full impairment of advances receivable relating to this agreement of CAD$106,027.

African Guar Gum Acquisition

The Company entered into the acquisition agreement (the "AGGC Agreement") on October 31, 2016 with African Guar Gum Corporation (Pty) Ltd., a company that focuses on the contract farming and processing of guar beans to acquire 100% of the issued capital of AGGC from its shareholders (the "Vendors"). The Company will invest ZAR4,300,000 (equivalent to CAN$421,314) in AGGC via an equity placement into AGGC. The Company will also issue to the Vendors, 2.4 million common shares of the Company at a deemed price of US$0.10 per share for all of the issued and outstanding shares of AGGC.

As at December 31, 2017, the Company made refundable advances of ZAR1,044,500 (December 31, 2016 – ZAR700,000) to AGGC which, on closing, will convert to capital stock in AGGC. The advance will be refundable if Closing does not take place within a reasonable period, repayable to the Company and subject to an annual interest rate of 5%. This advance along with the Aldwych Engagement Agreement will trigger a 120-day exclusive period for PMR to complete the investment in and acquisition of AGGC. This 120-day exclusive period will be extended for a further 30-day period if the regulatory approvals process requires more time to complete. Following Closing, the board of directors of AGGC will consist of new directors appointed by the Company.

In March 2018, the Company terminated the proposed change of business and management determined that the likelihood of collection of advances made was low. As a result, management recorded a full impairment of advances receivable relating to this agreement of CAD$170,029.

APV Acquisition

The Company entered into the acquisition agreement (the "APV Agreement") on November 14, 2016 to acquire APV, a company that focuses on the contract farming and processing of guar beans, from its shareholders, Dynamic Intertrade PYT Ltd. and Lamberti Specialty Chemicals PTY Ltd. ("Vendors") through the provision of three loan facilities. The first loan of ZAR560,000 (paid, equivalent to CAN$54,869) will be refundable and utilized to eliminate current payables and liabilities of APV. The second refundable loan will consist of monthly advances of ZAR150,000 (first monthly advance was paid, equivalent to CAN$14,697) per month to be used for working capital requirements of APV. The final loan facility, subject to TSX-V's approval, will be the advance of ZAR6,343,297 to APV for the repayment of the APV shareholder loans of the Vendors. Upon the completion of the three loan facilities by the Company, the Vendors will transfer their respective ownership in APV to the Company for the payment of ZAR10.

Expressed in Canadian Dollars

During the year ended December 31, 2017, the Company advanced an additional ZAR360,000 (CAN$36,546). As at December 31, 2017, the Company advanced ZAR1,070,000 (CAN$108,616).

In March 2018, the Company terminated the proposed change of business and management determined that the likelihood of collection of advances made was low. As a result, management recorded a full impairment of advances receivable relating to this agreement of CAD$108,616.

ELI Investment

ELI Agri (PTY) Ltd ("ELI") supplies agricultural business solutions to a range of clients in Africa and the rest of the developing world.

Pursuant to the investment agreement (the "ELI Investment Option") executed on November 11, 2016 between the Company and ELI, the Company had an option to acquire 25% of the outstanding capital stock of ELI on a fully diluted basis upon: i) completing a ZAR700,000 refundable loan to ELI which on closing of the COB Transaction would convert to capital stock in ELI and be utilized by ELI for working capital purposes; ii) make an investment of ZAR2,875,000 into ELI via an equity placement for common shares in ELI; and iii) advance a loan facility of ZAR5,750,000 to ELI.

On January 31, 2017, the Company and ELI terminated the ELI Investment Option. Both parties agreed to mutually release each other.

GrowBuddy Investment

Growbuddy Inc. ("GrowBuddy") provides technology services and social community services to cannabis cultivators.

Pursuant to the share purchase and share put agreement (the "**GrowBuddy Agreement**") dated August 22, 2016, among the shareholders of GrowBuddy, GrowBuddy and the Company (pursuant to an assignment of a letter of intent from Nexvu Capital Corp., a related party), the Company has agreed to acquire an initial 25% of the fully-diluted issued capital of GrowBuddy for US$1,165,000 in consideration by making the following installments (where installments 2 through 9 accrue subject to the closing of the COB Transaction):

	Installment & Ownership	Due	Amount (US$)
1.	For a initial 1% ownership	Within 1 month of Execution of Agreement	$50,000
2.	For an additional 2% ownership	Within 1 month of the TSXV approval	$100,000
3.	For an additional 4% ownership	Within 2 months of the TSXV approval	$200,000
4.	For an additional 3% ownership	Within 5 months of the TSXV approval	$150,000
5.	For an additional 3% ownership	Within 6 months of the TSXV approval	$150,000
6.	For an additional 3% ownership	Within 7 months of the TSXV approval	$150,000
7.	For an additional 2% ownership	Within 10 months of TSXV approval	$100,000
8.	For an additional 2% ownership	Within 11 months of the TSXV approval	$100,000
9.	For an additional 5% ownership	Within 18 months of the TSXV approval	$165,000
	Total		$1,165,000

The terms of the assignment are equivalent to the one for Nexvu Capital Corp.

The first installment of US$50,000 (equivalent to CAN$64,135) was advanced as a refundable loan and the fund will be applied as the first installment upon closing. The Company will forfeit 1.5% of its cumulative ownership in GrowBuddy if the Company fails to make an installment payment on or before the due date other than those Installments delayed due to a required regulatory approval and the Company will be granted a 30-day period from the due date of any installment to cure a breach of the GrowBuddy Agreement due to the failure to make an installment payment on or before the due date.

The obligation of the Company to purchase the GrowBuddy Shares in the amount and for the price outlined in the GrowBuddy Agreement shall be conditional on certain milestones being achieved by GrowBuddy and in the event any milestone is not achieved the Company percentage ownership in GrowBuddy will be increased by an additional 1.5% upon making the respective installment payment.

Upon the Company having acquired 25% of the issued and outstanding shares of GrowBuddy, the shareholders of GrowBuddy will have the right at their option to require the Company to acquire an additional 15% of the them issued and outstanding shares of GrowBuddy. The value of the GrowBuddy shares subject to additional acquisition will be set at a 10% discount to the value determined by a third-party valuator appointed by the shareholders and the Company. The value of the Company's shares will be determined by the preceding 10-day volume weighted average closing price.

During the year ended December 31, 2017, the Company advanced to GrowBuddy an additional US$241,000 (equivalent to CAN$302,335). As at December 31, 2017, the Company made total advances of US$291,000 (CAN$365,060) (December 31, 2016 – USD50,000/CAN67,135).

In March 2018, the Company terminated the proposed change of business and management determined that the likelihood of collection of advances made was low. As a result, management recorded a partial impairment of advances receivable relating to this agreement of CAD$299,701. Subsequent to December 31, 2017, the Company collected USD$52,100 (CAD$65,359) (Note 14).

8. Loans

As at December 31, 2017, the Company received $658,613 (US$525,000) (December 31, 2016 - $402,810/US$300,000) in loans from non-related parties. These loans accrue interest at a rate 3% every 30 days, repayable 6 months after receipt or at closing of the COB financing. Total interest accrued during the year ended December 31, 2017 is $227,405 (US$175,400) (December 31, 2016 - $29,151/US$16,850).

During the year ended December 31, 2017, the Company repaid interest on the loan of $66,816 (December 31, 2016 - $2,811).

Expressed in Canadian Dollars

9. Related party transactions

The Company entered into transactions, including compensation of key management, with the following related parties:

Name	Relationship	Nature of Transaction	Fees incurred period ended December 31, 2017	Fees incurred period ended December 31, 2016	Balance payable at December 31, 2017	Balance payable at December 31, 2016
Nexvu Services Inc.	Owned by Nexvu Capital, of which Brian Leeners is a shareholder	Rent and corporate services	$ **120,000**	$ 120,000	$ **352,375**[(2)]	$ 184,875
Brian Leeners	Chief executive officer and director	Management services	**120,000**	120,000	**351,800**	226,400
ISG Professional Services Inc.	Annie Storey, former chief financial officer, who is a shareholder	Accounting services	**10,500**	10,000	**95,288**	84,788
Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services	**120,000**	120,000	**321,125**	195,725
Gordorn J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation		**15,193**	46,999	**87,692**	68,585
Avanti Management & Consulting Ltd.	Michael Dehn is a shareholder	Rent and management services	**-**	-	**31,540**	31,540
Primrose Drilling Ventures Ltd. (Primrose)	Alice D. Gardner, former director, is a 25% shareholder of 1280417 Alberta Ltd., which is 100% shareholder of Primrose		**-**	-	**640,899**[(1)]	685,958
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services	**42,000**	35,000	**77,525**	35,000
			$ **427,693**	$ 451,999	$ **1,958,244**	$ 1,512,871

(1) The payable to Primerose is US$510,880.
(2) Includes loans from Nexvu Services Inc.

Balances owing are due on demand, unsecured, non-interest bearing and have no specified terms of repayment.

As at December 31, 2016, the Company owed to Phoenix Metals Corporation ("Phoenix"), a company with officers and directors in common, $25,000 which bore no interest and was payable on demand. During the year ended December 31, 2017, this advance was forgiven and as a result, the Company recognized a gain on settlement of debt for $25,000.

As at December 31, 2017, the Company owed to Nexvu Capital Corp. $305,600 (2016 - $57,176) for advance which bears no interest and is payable on demand.

10. Share capital

Authorized: unlimited common voting shares, without par value.

No common shares were issued during the year ended December 31, 2017.

11. Options and warrants

a) Stock options

The Company has adopted an incentive stock option plan (the "SOP"), as amended, under the rules of the TSX-V pursuant to which it is authorized to grant options to executive officers, directors, employees and consultants, enabling them to acquire up to 20% of the issued and outstanding common shares of the Company. Under the SOP, the option exercise price of any option granted shall be equal to the greater of either the amount designated by the administrator at the time of grant, or the discounted market price of the Company's common shares for the 10 trading days immediately preceding the day on which the TSX-V received notice that options have been granted under this SOP. For the purpose of the SOP, the discounted market price is calculated in accordance with the policies of the TSX-V at the time of grant of the options. The administrator may also determine that the option exercise price per common share may escalate at a specified rate or rates. The options can be granted for a maximum term of 5 years and vest immediately. No individual may hold options to purchase common shares of the Company exceeding 5% of the total number of common shares outstanding from time to time. Pursuant to the policies of the TSX Venture Exchange, shares issued upon the exercise of options are restricted from trading during the 4 month period subsequent to the exercise of the options. For stock options granted to employees, officers, directors and consultants, the Company recognizes stock based compensation expense based on the estimated fair value of the stock options granted as calculated using the Black-Scholes option-pricing model on the date of the grant.

No stock options were issued by the Company during the year ended December 31, 2017 or 2016, and no stock options are outstanding as at December 31, 2017 or 2016.

b) Warrants

No warrants were issued or outstanding during the years ended December 31, 2017 and 2016.

12. Segmented information

The Company has one reportable operating segment. All assets and liabilities are located in Canada except payable to related party of $640,899 (2016 - $685,958).

Expressed in Canadian Dollars

13. Income taxes

The following table reconciles the expected income tax payable (recovery) at the Canadian federal and provincial statutory income tax rates to the amounts recognized in the statements of operations and comprehensive loss for the period ended December 31, 2017 and 2016. The presentation of the prior year income tax note has been updated to conform with the current year presentation.

	December 31, 2017	December 31, 2016
	$	$
Net loss before tax	(1,421,552)	(536,763)
Statutory tax rate	26.00%	26.00%
Expected income tax (recovery)	(369,604)	(139,558)
Non-deductible items	127,734	594
Effect of foreign exchange rates	653,748	46,840
Change in deferred tax asset not recognized	(411,879)	92,124
Total income tax expense (recovery)	-	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding values for tax purposes. Deferred tax assets (liabilities) as at December 31, 2017 and 2016 are comprised of the following:

	December 31, 2017	December 31, 2016
	$	$
Unrealized foreign exchange gain	(5,999)	-
Non capital loss carryforward	5,999	-
		-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. The unrecognized deducitble temporary differences are as follows:

	December 31, 2017	December 31, 2016
Canada	$	$
Non capital loss carryforwards (Canada)	3,047,678	2,359,803
Exploration and evaluation asstets	17,500	17,500
Financing costs	11,986	15,981
Capital loss carry forwards	8,219	8,219
Other	28,469	12,820
Unrecognized deductible temporary differences	3,113,852	2,414,323

Expressed in Canadian Dollars

USA	**December 31, 2017** $	December 31, 2016 $
Net operating loss	1,485,502	1,589,943
Exploration and evaluation asstets	2,699,128	2,888,896
Unrecognized deductible temporary differences	4,184,631	4,478,839

South Africa	**December 31, 2017** $	December 31, 2016 $
Net operating loss	80,704	-
Unrecognized deductible temporary differences	80,704	-

The Company has non-capital loss carryforwards of $3,047,678 (2016 - $2,358,723) which may be carried forward to apply against future income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Year of Expiry	**Taxable Loss** $
2028	143,145
2029	126,975
2030	160,385
2031	112,379
2032	166,416
2033	162,746
2034	421,514
2035	497,971
2036	536,780
2037	719,368
Total	**3,047,678**

Expressed in Canadian Dollars

In addition, the Company has capital loss of $8,219, which may be carried forward indefinitely to reduce future income tax gains.

The Company has net operating loss carryforwards of $1,485,502 (2016 - $1,589,943) which may be carried forward to apply against future income tax for US tax purposes, as follows:

Year of Expiry	**Taxable Loss**
	$
2024	140,711
2025	126,465
2026	371,311
2027	328,022
2028	130,853
2029	109,607
2030	203,810
2031	62,144
2034	12,129
2035	452
Total	**1,485,502**

The Company has net operating loss carryforwards of $80,704 (2016 - $nil) which may be carried forward to apply against future income tax for South African tax purposes, as follows:

Year of Expiry	**Taxable Loss**
	$
2037	80,704
Total	**80,704**

14. Subsequent Event

a) The Company terminated its change of business transaction which was focused on developing agriculture assets in South Africa and in USA. Growbuddy Investment returned USD$52,100 (CAD$65,359) to the Company as part of advances made relating to the previous change of business.