

INOVENT CAPITAL INC.

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**FILING STATEMENT FOR A
QUALIFYING TRANSACTION**

**This Filing Statement is furnished in connection with the Completion of a
Qualifying Transaction by Inovent Capital Inc. in accordance with the policies of
the TSX Venture Exchange Inc.**

DATED AS AT JANUARY 20, 2017

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.

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Audited Financial Statements of the Company for the period from incorporation on August 23, 2012 to March 31, 2016 Schedule "A"

Unaudited interim financial statements of the Company for the six month period ended September 30, 2016. Schedule "B"

GLOSSARY

The following terms used in this Filing Statement have the following meanings:

“Affiliate” means a company that is affiliated with another company as described below:

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A company is “controlled” by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

“Agreement” means a definitive agreement between the Vendors and the Company, dated August 12, 2016 (as amended December 24, 2016) pursuant to which the Company proposes to purchase the Property for a one-time payment of 2,750,000 Shares issued at a deemed price of \$0.07 per Share, and a 2.5% NSR in favour of the vendors, of which 1.5% is purchasable by Inovent for \$1.0 million, thereby reducing the NSR to 1.0%, the subject Property purchase transaction being the Company’s proposed Qualifying Transaction.

“Associate” when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person, including:
 - (i) that person’s spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person;but
- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

“BCBCA” means the *Business Corporations Act* (British Columbia).

“Closing” means the closing of the Qualifying Transaction.

“Closing Date” means the date on which the Closing occurs.

“Company” or **“Inovent”** means Inovent Capital Inc.

“Completion of the Qualifying Transaction” means the date the Final Exchange Bulletin is issued by the Exchange.

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

“CPC” means a corporation:

- (a) that has been incorporated or organized in a jurisdiction in Canada;
- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the Policy 2.4; and
- (c) in regard to which the Completion of the Qualifying Transaction has not yet occurred.

“CPC Escrow Agreement” means the TSXV Form 2F escrow agreement dated June 28, 2013 among Inovent, Computershare Investor Services Inc., as escrow agent, and the holders of certain Inovent Shares.

“Escrow Agent” means Computershare Investor Services Inc., in its capacity as the escrow agent under the CPC Escrow Agreement and the QT Escrow Agreement.

“Escrow Shares” means the 2,300,000 Shares of the Company held in escrow pursuant to the CPC Escrow Agreement, and the 2,750,000 consideration Shares issuable to the Vendors pursuant to the Agreement, and any additional Shares that become subject to escrow pursuant to the policies of the Exchange. See “Information Concerning the Resulting issuer - Escrowed Securities”.

“Exchange” or **“TSXV”** means the TSX Venture Exchange Inc.

“Filing Statement” means this Filing Statement of the Company prepared by management in accordance with the Policies of the Exchange relating to Qualifying Transactions.

“Final Exchange Bulletin” means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

“Insider” if used in relation to an issuer means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

“NI 43-101” means National Instrument 43-101 entitled *Standards of Disclosure for Mineral Properties*.

“Non-Arm’s Length Party” means in relation to a company, a promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

“NSR” means a net smelter returns royalty.

“Person” means a company or individual.

“Peters” means L. John Peters, P. Geo, the author of the Technical Report.

“Policy 2.4” means Exchange Policy 2.4 entitled “Capital Pool Companies” of the Exchange’s Corporate Finance Manual.

“Private Placement” or **“Private Placement Financing”** means the sale of a minimum of 6,428,571 and up to 7,857,143 Units of the Company at a price of \$0.07 per Unit, to raise between \$450,000 and \$550,000; and, based on subscriptions received as at the date of this Filing Statement, the Company expects the final Private Placement amounts to be 7,723,540 Units for approximate total proceeds of \$540,648. Each Unit will be comprised of one Share and one Warrant, with each Warrant entitling the holder to purchase one additional Share at a price of \$0.10 per Share for a period of two years from the Closing Date.

“Property” means two non-contiguous groups of licences located in the Province of Newfoundland, Canada, situated approximately 4 kilometres apart (“North” and “South” Blocks) totaling 3,225 hectares (129 claim units). The North Block consists of 53 contiguous claims (1,325 hectares) covering 9 licences and the South Block consists of 76 claims (1,900 hectares) covering 7 licences.

“QT Escrow Agreement” means the TSXV Form 5D escrow agreement among the Vendors, Inovent, and Computershare Investor Services Inc., as escrow agent, with application to the 2,750,000 consideration Shares issuable to the Vendors pursuant to the Agreement.

“Qualifying Transaction” or **“QT”** means a transaction where a CPC acquires Significant Assets (as defined in Policy 2.4) other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. The entering into of the Letter Agreement is intended to constitute the Company’s Qualifying Transaction, including the herein contemplated Transaction.

“Resulting Issuer” means the Company following the issuance of the Final Exchange Bulletin.

“Shares” means the common shares in the capital of the Company as presently constituted.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.

“Technical Report” means the technical report entitled “National Instrument 43-101, Technical Report on the King’s Point Polymetallic Project, Green Bay Area, Newfoundland” dated September 18, 2016 prepared for the Company by Peters, filed on SEDAR at www.sedar.com under the profile of the Company.

“Transaction” means the transaction contemplated by the Agreement pursuant to which the Company will acquire the Property, which acquisition will serve as the Company’s Qualifying Transaction.

“Units” means units of the Company each Unit being comprised of one Share and Warrant, each Warrant entitling the holder to purchase one additional Share at a price of \$0.10 per Share for a period of two years from the Closing Date.

“Vendors” means Dean Fraser, P. Geo., for and on behalf of himself, and as the authorized representative of Garry Fraser and Deirdre Griffin of Paradise, Newfoundland.

“Warrants” means common share purchase warrants of the Company, including warrants issued to any qualifying finders in connection with the Private Placement, each Warrant exercisable to purchase one Share at a price of \$0.10 per Share for a period of two years following the Closing Date.

Table of Abbreviations

Ag	Gold	km	kilometre	Pb	Lead
Au	Silver	M	million	Zn	Zinc.
cm	Centimetre	m	meters		

gpt	grams per tonne	mm	millimetre
kg	Kilogram	ppb	parts per billion

Currency Presentations

All dollar amounts set forth in this Information Circular are in Canadian dollars, except where otherwise indicated.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the Company and the Resulting Issuer (assuming Completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

The proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction pursuant to Policy 2.4.

General

Inovent Capital Inc. ("Inovent or "Company") is a Capital Pool Company listed on the TSXV under the symbol "IVQ.P". Prior to completing its initial public offering ("IPO"), Inovent raised \$115,000 by the issuance of 2,300,000 Shares at \$0.05 per Share. On December 18, 2013, Inovent completed the IPO and issued 2,564,800 Shares at a per-Share price of \$0.10, for aggregate gross proceeds of \$256,480, which amount was raised to provide Inovent with funds with which to identify and evaluate businesses or assets with a view towards completing a Qualifying Transaction. The Shares began trading on the TSXV on December 18, 2013. As at the date hereof and prior to the completion of the Transaction, Inovent has not and will not have commenced any commercial operations and does not and will not have any assets, other than approximately \$56,000 in cash and \$15,000 in temporary investments.

The Transaction

The Company has entered into the Agreement with respect to acquiring a 100% interest in the Property. It is the Company's intention that the Property will be the Company's principal property and will be the target of most of the Company's focus and expenditures during the following 12 months following completion of the Qualifying Transaction.

The execution of the terms of the Agreement related to acquiring a 100% interest in the Property is intended to constitute the Company's Qualifying Transaction under terms of the policies of the Exchange applicable to a CPC. Assuming Completion of the Qualifying Transaction, the Company will operate within the mining sector, involved initially in exploration and development of precious and base metals properties, and be listed on the Exchange as a Tier 2 mining issuer.

The Property

The Property is co-owned by and registered in the names of Dean Fraser, Garry Fraser, and Deirdre Griffin of Paradise, Newfoundland. An agreement between the owners/vendors grants Dean Fraser the right to negotiate and disperse the rights to the licences on their behalf. On August 12, 2016, the Company signed the Agreement with the Vendors to acquire a 100% interest in the Property for a one-time payment of 2,750,000 Shares issued at a deemed issue price of \$0.07 per Share, and a 2.5% NSR in favour of the Vendors, of which 1.5% is purchasable by Inovent for \$1 million, to thereby reduce it to a 1.0% NSR. None of the Vendors is a Non-Arm's Length Party to the Company.

The Company has obtained a Technical Report on the Property, the material provisions of which are summarized in this Filing Statement below under "Information Concerning the King's Point Property".

INFORMATION CONCERNING THE KING'S POINT PROPERTY

Property Description and Location

The Company proposes to acquire the King's Point Property located in the Springdale Peninsula area of north central Newfoundland. The Property consists of two non-contiguous groups of licences situated approximately 4 kilometres apart ("North" and "South" Blocks) totaling 3,225 hectares (129 claim units).

The North Block consists of 53 contiguous claims (1,325 hectares) covering 9 licences and the South Block consists of 76 claims (1,900 hectares) covering 7 licences. Upon completion of the proposed acquisition, the Company will be engaged in the business of exploring for, with the ultimate goal of developing and producing, precious metals from the Property.

The information in this Filing Statement regarding the Property is based on and supported by the technical report entitled "National Instrument 43-101, Technical Report on the King's Point Polymetallic Project, Green Bay Area, Newfoundland" dated September 18, 2016 prepared for the Company by L. John Peters, P. Geo., an Independent Qualified Person ("QP") as defined by the Canadian Securities Administrators' ("CSA") National Instrument 43-101, Standards of Disclosure for Mineral Projects, according to the format and content specified in Form 43-101F1. This Filing Statement should be read in conjunction with the Technical Report. The summary section of the Technical Report contains references to indicate to the reader the materials that have been used to compile the Technical Report. The Technical Report contains a complete list of all references used in this Filing Statement and the terms used in this Filing Statement concerning the Property have the meanings given to them in the Technical Report, a copy of which will be filed on SEDAR at www.sedar.com prior to the completion of the Transaction.

The acquisition of Mineral rights in the province of Newfoundland and Labrador is by online map staking using the Province's Mineral Rights Administration System (MIRIAD) granting the exclusive right to explore for minerals over the area of the licence. To the knowledge of the Company, there are no liens or encumbrances on the Property. The Property is situated on "Crown Land" and no private parcels of land are situated within the Property limits. The eastern portion of the North Block, including the Rendell-Jackman past producer, Golden Anchor prospect, and Beetle Pond showing, lies within the King's Point Municipal Boundary. All portions of the Property are legally accessible by road or trail.

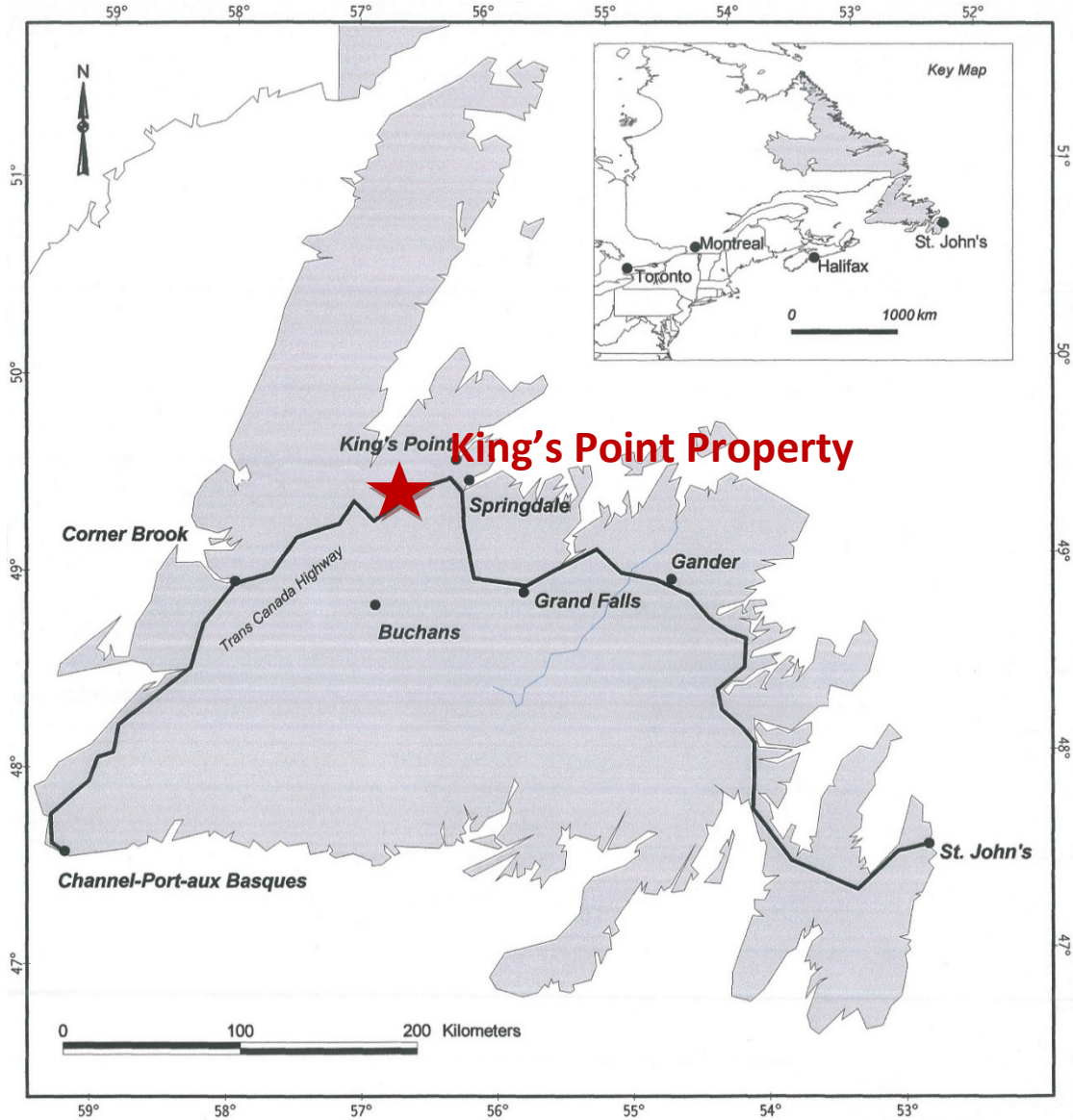


Figure 1: Location Map

The only factor that could affect access, title, or the right or ability to perform work on the property is allowing ownership of the Property to lapse due to inactivity or completing insufficient expenditures as detailed in Table 2.

The North Block is situated on 1:50000 NTS Mapsheet 12H/09 and centered on UTM coordinate 557500E/5489600N. The northernmost extent of the North Block is located approximately two kilometres south of the town of King's Point. The South Block is situated on NTS Mapsheet 12H/08 and centred on UTM coordinate 550400E/5482500N (Nad27 Z21), located approximately 2 kilometres north of the Trans-Canada Highway (Hwy#1) and 11 kilometres west of the town of Springdale.

A listing of licences comprising the King's Point Property is presented on Table 1 and a map illustrating the licences follows on Figure 2.

Licence	Block	Area (ha)	Owner	# Claims	Stake Date	Work Due	NTS	Expenditures to 2015	Year
012676M	North	250	Fraser, Dean	10	03/10/2006	03/11/2016	12H09	39449.38	10
012677M	North	275	Fraser, Dean	11	03/10/2006	03/11/2016	12H09	43035.22	10
012678M	North	200	Fraser, Dean	8	03/10/2006	03/11/2016	12H09	31456.46	10
015847M	North	150	Fraser, Dean	6	20/01/2009	19/02/2017	12H09	16203.90	8
019770M	North	25	Fraser, Dean	1	20/12/2011	19/01/2017	12H09	1153.94	5
024055M	North	250	Fraser, Dean	10	30/06/2016	03/08/2017	12H09	21,586.20	1
024056M	North	100	Fraser, Dean	4	30/06/2016	03/08/2017	12H09	8400.00	1
024057M	North	50	Fraser, Dean	2	30/06/2016	03/08/2017	12H09	4265.30	1
024058M	North	25	Fraser, Dean	1	30/06/2016	03/08/2017	12H09	2135.59	1
021789M	South	750	Griffin, Deirdre	30	13/12/2013	13/01/2017	12H09 12H08	14938.50	3
023899M	South	200	Fraser, Garry	8	05/04/2016	05/05/2017	12H09 12H08	0.00	1
023904M	South	100	Fraser, Garry	4	05/04/2016	05/05/2017	12H08	0.00	1
023953M	South	250	Fraser, Garry	10	19/04/2016	19/05/2017	12H09 12H08	7255.00	1
023958M	South	75	Fraser, Garry	3	19/04/2016	19/05/2017	12H08	0.00	1
023959M	South	75	Fraser, Garry	3	19/04/2016	19/05/2017	12H09	0.00	1
024037M	South	450	Griffin, Deirdre	18	08/06/2016	08/07/2017	12H09 12H08	8155.00	1

Table 1: List of Licences

Table 1 is taken from the Department of Natural Resources, Newfoundland and Labrador, and exploration expenditures incurred for 2016 are not reflected as the database has not yet been updated. In the past 36 months a total of \$134,967.68 of exploration expenditures have been incurred on the Property. A list of applicable approved expenditures related to Inovent's Qualifying Transaction is summarized on Table 5.

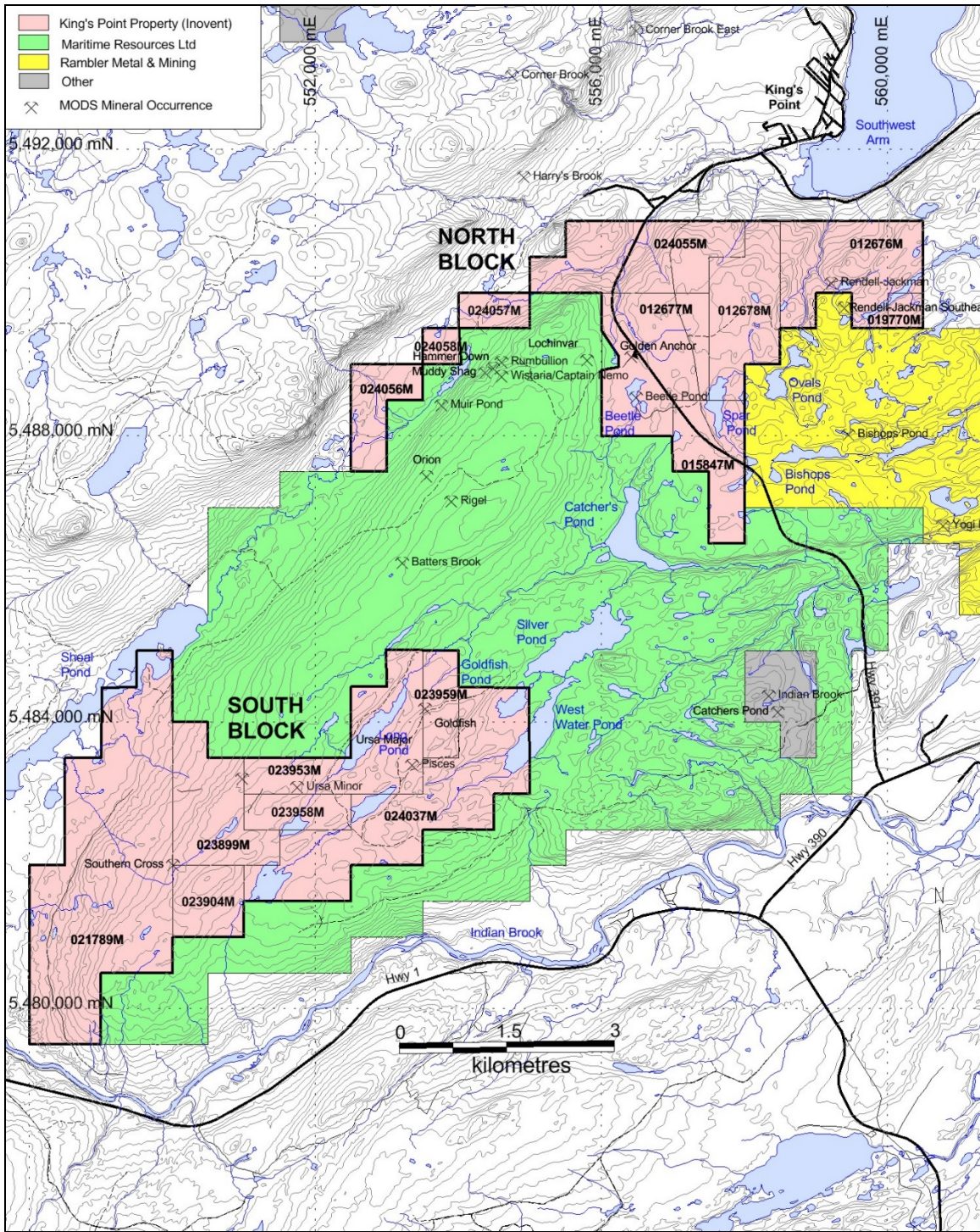


Figure 2: King's Point Mineral Tenure Map

Current mineralized zones on the Property are described in Section 8: Mineralization. There are no mineral resources or reserves reported on the Property. There are no mine workings, existing tailing ponds, or waste deposits on the Property that have not been reclaimed. There are no known environmental issues or liabilities specific to the King's Point Property. Previous exploration activities have been conducted adhering to the Newfoundland and Labrador Mines Act. The property ownership is unencumbered.

As noted above, all mineral rights in the Province of Newfoundland and Labrador are currently acquired using the Province's Mineral Rights Administration System (MIRIAD). Map staked claims consist of 500 x 500 metre claim units (25 hectare) that are grouped into individual licences to a maximum of 256 claims during the staking process. A map staked licence is issued for a term of five years, however, the licence may be renewed and held for a maximum of thirty years provided the required annual assessment work is completed and reported upon and renewal fees are paid. A schedule of work requirements is listed on Table 2

Year	1	2	3	4	5	6-10	11-15	16-20	21-25	26-30
Expenditure Requirement per Unit	\$200	\$250	\$300	\$350	\$400	\$600	\$900	\$1200	\$2000	\$2500

Table 2: Schedule of Assessment Work Requirements

Renewal fees are levied by the Newfoundland and Labrador Mineral Claims Recorders Office for each claim after periodic intervals. The renewal fees include; for year five \$25 per claim, for year ten \$50 per claim, for year fifteen \$100 per claim, and for years twenty to thirty \$200 per claim. A holder is entitled to surrender all or any portion of the area covered by a claim during its currency by giving notice of surrender to the provincial mining recorder, provided that, notwithstanding the surrender, the holder remains obligated to deliver to the provincial ministry copies of all information and reports in his or her possession respecting exploration carried out before the date of the surrender; and where part of the area covered by a map staked licence is surrendered, all the area being retained must fall within the boundaries of the original description contained in the licence. Application for a work permit from the Newfoundland and Labrador Department of Natural Resources ("NLDNR") will be required prior to any upcoming exploration programs. Junior Exploration Assistance ("JEA") funding is offered to support junior exploration companies with a 2016 budget of \$1.3 million. The program provides financial support of 40-75% of approved exploration up to \$150,000 per project in Newfoundland.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The northernmost extent of the North Block is located approximately two kilometres south of the town of King's Point, Newfoundland, accessible by the King's Point Highway (Hwy#391) between King's Point and Springdale, Newfoundland. The South Block is located approximately 2 kilometres north of the Trans-Canada Highway (Hwy#1) and 11 kilometres west of the town of Springdale. A good network of well-maintained unpaved secondary roads and ATV trails provide access to most of the rest of the Block. The South Block is accessed by ATV trails through most of the claims.

Topographic relief on the North Block typically ranges from 50 metres above mean sea level ("asl") at the northern extent of the Property boundary near Green Bay to 170 metres asl at the scarp of the Green Bay fault to the west. Relief in the South Block ranges from 60 metres asl in the west at Shoals Pond to 240 metres asl in the northeast trending ridge transecting the Block (Figure 3).

The glaciated terrain is rolling with vegetation consisting of spruce and balsam fir, interspersed with minor birch and aspen. The dominant direction of glacial movement is interpreted to have been towards the northeast (Liverman et al, 2000). The main drainage patterns and lake orientations also reflect the prominent northeast structural trend.

Numerous wet areas occur as open grassy bogs in areas of poor drainage and low-lying areas adjacent to streams and ponds throughout the region. Overburden thickness is typically less than 2 metres throughout most of the Property, however, local accumulations exceed 10 metres where deposits of

glacial/fluviol gravels occur, particularly along a northeast trending valley extending between Shoal Pond and King's Point.

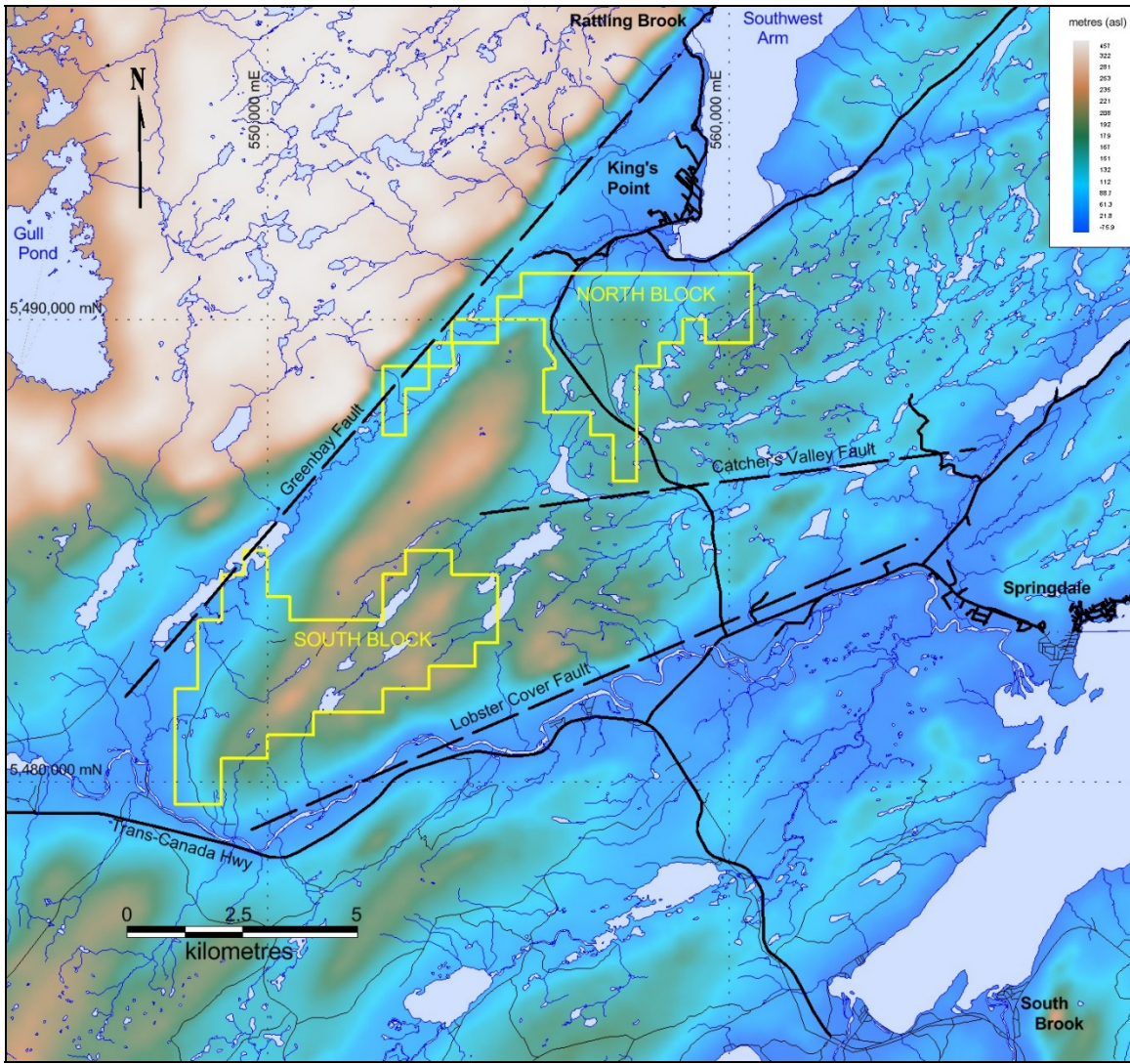


Figure 3: Physiography

Most of the property has been clear-cut at one time or another in the past 50 years with large tracts of land harvested in the 1970's and 1980's without replanting resulting in the current stands of scrubby bush dominated by alders and young softwood.

Recorded local climate in the area is from the nearby town of King's Point. The average temperatures vary during the year by 24.5 °C. Temperatures are highest on average in July, at around 16.6 °C and lowest in February at -7.9 °C. The variation in the precipitation between the driest and wettest months is 39 mm. Most precipitation falls in October, with an average of 99 mm with the least amount of rainfall occurring in April with an average of 60 mm (Figure 4).

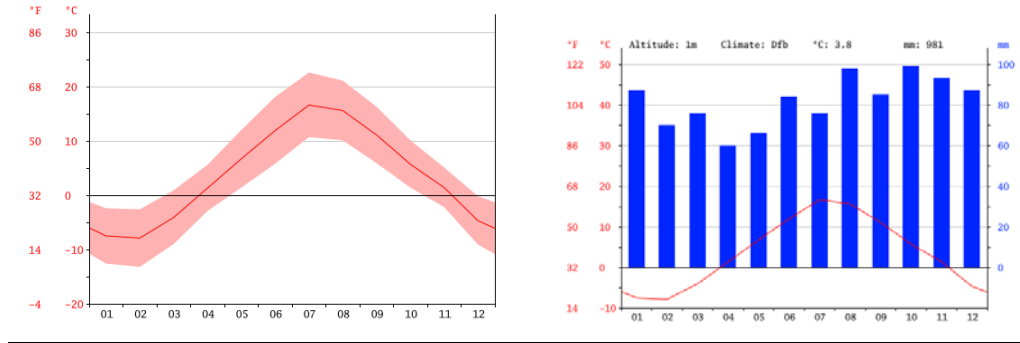


Figure 4: Climate Averages (King's Point, Newfoundland)

The area is politically stable with a significant history of gold mining. Springdale has been unofficially termed “Newfoundland’s mining hub”, hosting an analytical laboratory and a government sponsored core storage facility servicing mining operations and exploration in the area.

Chronological History of Exploration

The King’s Point area has a history of prospecting and copper mining dating back to the 1880’s, however, records of early work are scarce. The area’s first significant discovery (1909) was the Rendell-Jackman volcanogenic massive sulphide style (“VMS”) copper deposit located on the eastern portion of the North Block. Three shallow shafts were sunk into two small banded pyrite-chalcopyrite lenses, the deepest shaft achieving a depth of 54 metres. Small scale mining occurred from 1910 to 1912 and resumed in the early 1930’s. Total recorded production for the Rendell-Jackman deposit (1910-1912) was 1,456 tonnes grading approximately 4% copper (Kean et al, 1995). Production statistics for the 1930’s are not reported.

Follow-up exploration on the Rendell-Jackman deposit included diamond drilling programs completed by the Geological Survey of Newfoundland in 1939 (5 drillholes) and Kontiki Lead and Zinc Mines Ltd (“Kontiki”) in 1955 (10 drillholes).

Systematic exploration in the region began in the 1950’s with several major companies including British North Exploration (“Brinex”), Falconbridge Ltd. (“Falconbridge”) and Cominco Ltd. (Consolidated Mining and Smelting Company of Canada, Limited, which was renamed Cominco Ltd. in 1966) (“**Cominco**”) completing exploration programs including prospecting, soil, stream and lake sediment geochemical surveys, airborne geophysics and geological mapping, leading to the discovery of several zinc, lead and copper occurrences. These occurrences included the Indian Brook, Northwest, Muir Pond and Beetle Pond showings.

In 1986 Noranda Exploration Company Ltd. (“Noranda”) acquired a large group of claims that includes the current extent of the King’s Point Property and the neighbouring claims now owned by Maritime Resources Corp. (“Maritime”) and Rambler Metals (“Rambler”). Gold exploration, mainly funded by Major General Resources Ltd. (“Major General”), was completed from 1987 to 1991 including soil and till sampling, geological, magnetic, very-low-frequency electromagnetic (“VLF-EM”), horizontal loop electromagnetic (“HLEM”), and induced polarization (“IP”) surveys, trenching, and extensive diamond drilling leading to the discovery of the Hammerdown and adjacent Rumbullion gold deposits, the Muddy Shag and Wistaria gold occurrences, and the Lochinvar zinc + lead VMS deposit. The gold-bearing structure, including the Muddy Shag, Hammerdown and Rumbullion zones, has been traced for at least 1,100 m along strike and to a vertical depth of 225 m. In 1990 Noranda completed IP, HLEM and soils geochemical surveys over the old workings of the Rendell-Jackman mine.

Major General acquired Noranda's interest in the property in 1992 and subsequently increased the property holdings toward the southwest. Over the next decade Major General completed extensive exploration programs over two-thirds of the property including airborne magnetics and electromagnetics ("EM"), soil geochemistry, ground magnetics, VLF-EM, IP and approximately 182 diamond drillholes. Several new base-metal occurrences were discovered including the Batter's Brook, Rigel, Ursa Minor, Ursa Major, and Ursa Major West zones and Major General also delineated three gold (Hammerdown, Rumbullion, and Orion) and two base metal (Lochinvar, and Batter's Brook) deposits.

Concurrent with Major General's exploration activities, Phelps Dodge Corporation of Canada ("Phelps Dodge"), owning a property internal to the Major General claims located in the eastern portion of the current South Block, completed VMS exploration from 1995 to 1998 including soil geochemistry, magnetics and VLF-EM on a 53 kilometre grid followed by IP and drilling.

Rio Algom Exploration Ltd. ("Rio Algom") optioned Major General's property holdings in 1997 and in 1998 completed airborne magnetics, VLF-EM and EM, and ground IP surveys.

In 2001, Hudson Bay Exploration and Development Co. Ltd. ("Hudson Bay") optioned the Major General (minus the Hammerdown deposit) and Phelps Dodge properties and completed property-wide geological mapping, airborne EM and magnetics, surface pulse EM, ground magnetics and VLF-EM, IP, soil geochemistry, borehole EM, and diamond drilling. The option was subsequently terminated.

In 2002, Anglo American Exploration Canada Ltd. ("Anglo American") optioned Major General's property and completed IP, HLEM, and GEOTEM[®] surveys in an attempt to delineate massive sulphide targets. The option was subsequently terminated.

From 2002 to 2003, Commander Resources Ltd ("Commander"), previously Major General, completed small reconnaissance soil sampling programs on the periphery of previous exploration.

The neighbouring Hammerdown gold deposit was successfully mined by Richmond Mines Ltd. ("Richmont") between 2000 and 2004 and terminated in 2004 due to low gold prices, with mineralization remaining, although uneconomic at that time. In 2010 Maritime acquired the old Hammerdown mine workings and a large portion of ground situated between the North and South blocks of the King's Point Property.

In 2006, D. Fraser (one of, and the authorized representative of all of, the Vendors) staked the northeastern portion of the King's Point Property containing the Rendell-Jackman deposit. Additional staking was completed through to 2016 to what are now the current holdings. From 2007 to 2016, exploration by the owner consisted of prospecting, rock and soil geochemistry, ground magnetics, and IP.

ID	Year	Company	Author	Block	Area Explored	Exploration
	inform. avail. up to 1912	Tilt Cover and Bett's Cove Mines	No Reports avail	North	Rendell-Jackman	3 shallow shafts, limited drilling
	1935-1936	Hans Lundberg Ltd	No Reports avail	North	Rendell-Jackman	Geophysics (details not known)
	1939	Geological Survey of Nfld	No Reports avail	North	Rendell-Jackman	Drilling (5)
	1950's	Boylen Engineering	No Reports avail	North	Rendell-Jackman	Ground geophysics, geochemistry, trenching
	1951	Falconbridge	No Reports avail	North	Rendell-Jackman	VLF-EM, trenching
012h_0161	1955	Kontiki	D. Lewis	North	Rendell-Jackman	Drilling (10)
012H_0285	1959	Brinex	Not known	North	Rendell-Jackman	Summary Report

ID	Year	Company	Author	Block	Area Explored	Exploration
012H_0330	1966	Cominco, Brinex	G. Tikkanen	North	Rendell-Jackman	IP
012H_0333	1966	Brinex	J. Read	North	Rendell-Jackman	IP
012H_0764	1966-1967	Brinex	W. M.	North	Golden Anchor, Rendell-Jackman	Soils
012H_0861	1966-1967	Brinex	W. M.	North	Golden Anchor, Rendell-Jackman	Soils
012H_0152	1967	Cominco	Not Known	North	Beetle Pond	Drilling (2)
012H_0303	1967	Brinex	H. Peters	North	Rendell-Jackman	Drilling (4), magnetics
012H_0331	1967	Cominco	G. Tikkanen	North	Beetle Pond	IP
012H_1235	1987-1991	Noranda	P. Williams	North	Rendell-Jackman, Beetle Pond, BOG	IP, HLEM, mag, VLFEM, till geochem,
012H_1101	1988	Noranda	P. Andrews	North	None	IP, HLEM, soil geochem, drilling (5)
012H_1218	1990	Noranda	P. Andrews	North	Beetle Pond	Magnetics, HLEM, soil + silt geochemistry
012H_1241	1990	Noranda	K. Sparkes	North	Beetle Pond	IP, drilling
012H_1307	1993	Major General	D. Mullen	North	Golden Anchor	Soil geochem, drilling (2)
012H_1309	1994	Major General	D. Mullen	North	Golden Anchor	Soils geochemistry, diamond drilling (2 holes)
012H_1332	1994	Major General	D. Mullen	North	Beetle Pond	Not Known
012H_1355	1995	Major General	L. Pilgrim	North	Harry Brook	Soils
012H_1356	1995	Major General	L. Pilgrim	North	Harry Brook	Soils
012H_1471	1995	Major General	D. Mullen	North	All	Airborne EM and magnetics (1995) interpretation
012H_1472	1995	Major General	D. Mullen	North	Beetle Pond	Drilling, soil geochem, mag, VLF, IP.
012H_1528	1996	Major General	L. Pilgrim	North	N of Rendell-Jackman	Soil geochem
012H_1459	1997	Major General	D. Mullen	North	Beetle Pond	Soils, drilling
012H_1447	1998	Major General	L. Pilgrim	North	Rendell-Jackman	IP (4km)
012H_1562	1998	Rio Algom	A. Mouton	North	Beetle Pond	Drilling (1)
012H_1563	1998	Rio Algom	G.Boisvert	North South	+ Western Limits	IP, soils
012H_1642	2000-2001	Hudson Bay	P. Moore, D. Mullen	North+south	All, Ursa Major	Soil geochem, borehole EM, Aeromag, GEOTEM®, HLEM, VLFEM, IP, drilling

ID	Year	Company	Author	Block	Area Explored	Exploration
012H_1798	2001	Commander	D. Mullen	North	Golden Anchor	drilling (12)
012H_1796	2002	Commander	D. Mullen	North	Golden Anchor	Drilling
012H_1630	2002	Anglo American	P. Moore, D. Mullen	North	Rendell-Jackman, Goldfish	IP, drilling, borehole EM
012H_1947	2007	Dean Fraser	D. Fraser	North	Reconn-North Block	Prospecting
012H_1937	2008	Dean Fraser	D. Fraser	North	Reconn-North Block	Prospecting, ground magnetics
012H_2037	2009	Dean Fraser	D. Fraser	North	Golden Anchor, Rendell-Jackman	Prospecting
012H_2070	2011	Dean Fraser	D. Fraser	North	Rendell-Jackman, Beetle Pond, GA	IP, prospecting
Unreleased	2012	Dean Fraser	D. Fraser	North	Rendell-Jackman, Beetle Pond, GA	Prospecting
Unreleased	2013	Dean Fraser	D. Fraser	North	Rendell-Jackman, Beetle Pond, GA	IP, magnetics
Unreleased	2014	Dean Fraser	D. Fraser	North	All	EM + airborne mag interpretation, soils
Unreleased	2015	Dean Fraser	D. Fraser	North	Rendell-Jackman, Beetle Pond, BOG	Prospecting, ground magnetics.
NFLD/0762	1950's	Falconbridge	D. Anderson	South		Geological mapping
	1955-1982	Brinco	No Reports avail	South	Goldfish	Airborne EM and magnetics, IP, soil geochem, VLF-EM, drilling
012H_1095	1988	Noranda	P. Andrews	South	Reconn	till/stream geochem, trenching
012H_1599	1995	Phelps Dodge	M. Johnson	South	Goldfish, Pisces	Soils, mag/VLF-EM
012H_1600	1996	Phelps Dodge	J. Thurlow	South	Goldfish	Drilling
012H_1455	1997	Major General	D. Mullen	South	Ursa Major/Minor	Magnetics, VLF-EM, IP, Soil Geochemistry, diamond drilling (11 holes)
012H_1475	1995	Major General	L. Pilgrim	South	Southern Cross, Pisces	Soils
012H_1598	1997	Phelps Dodge	J. Thurlow	South	Goldfish, Pisces	Soils
012H_1601	1997	Phelps Dodge	F. Jagodits	South	Goldfish, Pisces	IP, VLF-EM, Mag
012H_1602	1997	Phelps Dodge	J. Thurlow	South	Goldfish, Pisces	Drilling
012H_1558	1998	Rio Algom	S. Scott	South North	+ Beetle Pond, Ursa Major+Minor	IP
012H_1672	2003	Commander	D. Mullen	South	Recon	Soil Geochem

Table 3: Summary of Historic Exploration

A listing of assessment reports available on the Newfoundland and Labrador Department of Natural Resources GeoFiles website pertaining to work completed on the King's Point Property is summarized on Table 3.

Geological Setting and Mineralization

Regional Geology

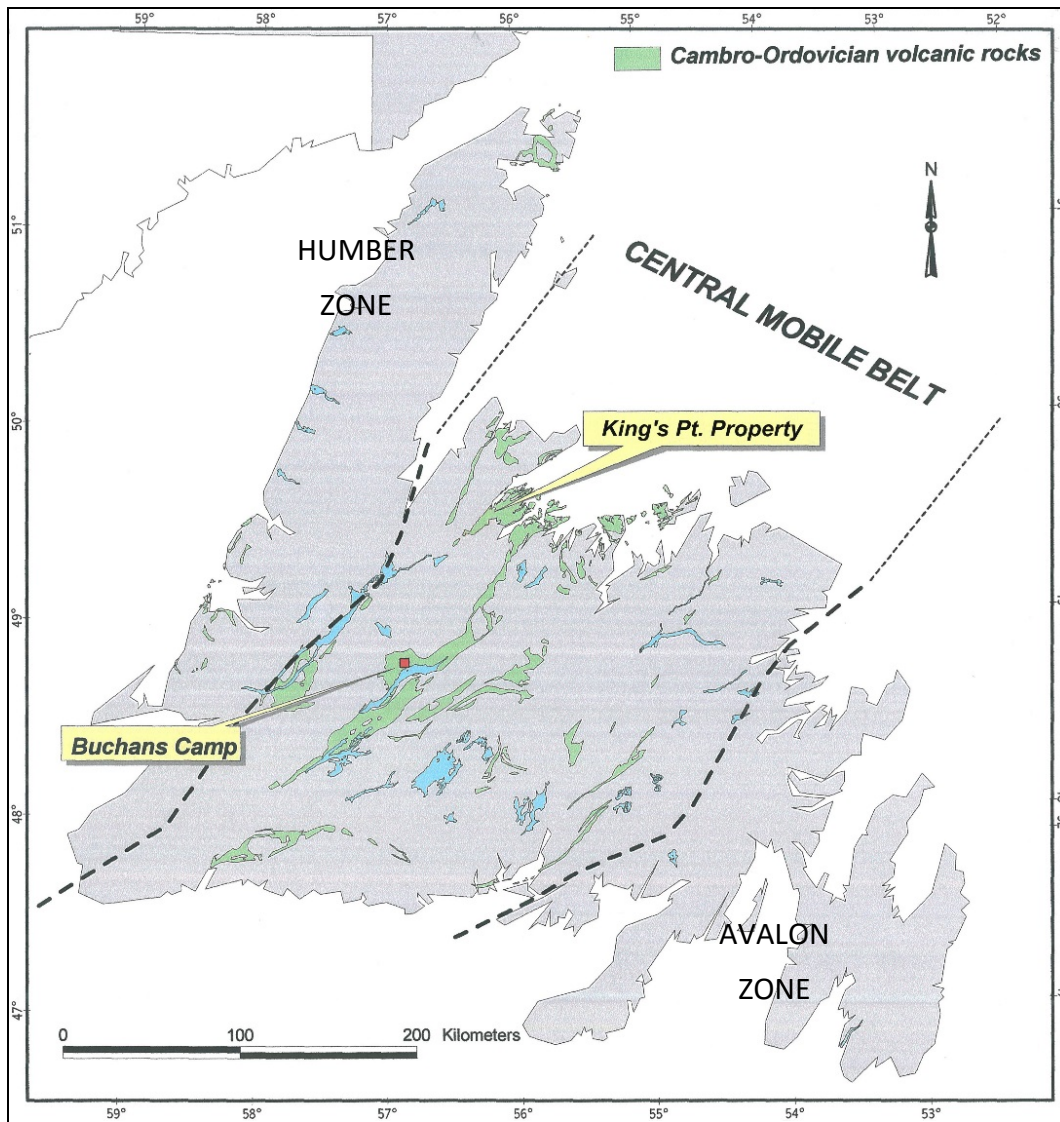


Figure 5: Lithotectonic Sketch Map of Newfoundland (Moore, 2001)

The Springdale Peninsula is located in the northeastern extremity of the Appalachian Orogeny where it is underlain predominately by volcanic rocks of the Lushs Bight and Catchers Pond Groups of the Paleozoic-aged Central Mobile Belt of the Newfoundland Appalachians (Figure 5) within the Notre Dame Subzone (Williams et al, 1988) of the Dunnage tectonostratigraphic zone (Williams, 1979). Together,

these groups represent volcano-sedimentary assemblages of ophiolitic oceanic supra-subduction zones and mature arc derivations accreted to the ancient North American (Laurentian) continental margin during the Ordovician to Silurian-aged Taconian Orogeny (Szybinski et al, 1989, Swinden, 1991, Kean et al, 1995) and further deformed during the Silurian-Devonian Acadian Orogeny (Swinden, 1991).

The Early Ordovician-aged Lushs Bight Group, forming the basement in the Notre Dame Bay Region, is composed of a sequence of sheeted diabase dykes, pillow basalts, pillow breccias, basaltic tuffs and cherty argillites interpreted to represent the oceanic crust.

North and west of Springdale, the Lushs Bight Group is overlain with local conformity by mafic and felsic submarine volcanic rocks of the early Ordovician-aged Catcher's Pond Group interpreted to be island arc volcanics built on the oceanic crust of the Lushs Bight Group. The Catcher's Pond Group consist of a mixed sequence of rhyolite flows, rhyolite tuffs and basalt flows interbedded with sequences of fine grained arenaceous and chemical sediments. The Catcher's Pond greenstones are comparable to the Buchans greenstones located 75 km to the south, which produced base and precious metals from rich volcanogenic deposits for over 60 years.

Peripheral segments of the property extend over younger geological units of the region including Silurian-aged subaerial rhyolites to terrestrial sediments (conglomerates) of the Springdale Group to the south (Kean, 1980; Kean et al., 1995), Devonian-aged intrusive rocks of the King's Point Complex, Siluro-Devonian-aged intrusive rocks of Burlington Granodiorite to the northwest (Hibbard, 1983), and Devonian-aged granitic intrusive rocks of the Topsails Granite to the southwest (Kean, 1980).

Contacts between the Ordovician volcanics and these peripheral elements are typically faulted as defined by the Green Bay fault running along the northwest margin of the property and the less well defined Lobster Cove fault to the southeast (Kean et al, 1995). Phases of the Topsails granite are, however, interpreted to intrude volcanic rocks of the Catchers Pond Group on the southwestern portion of the project (Kean, 1980). Contact relationships between rocks of the Springdale and Catchers Pond groups on the east-central portion of the property are less clear and it is speculated that while the contact is fault modified, an unconformable contact may exist whereby rocks of the Catchers Pond Group may underlie conglomerates of the Springdale Group.

The volcanic rocks of the Catcher's Pond and Lushs Bight Groups are commonly chloritized and epidotized, believed to be related to sea-floor hydrothermal alteration occurring at greenschist facies temperatures whereas the younger Springdale Group rocks are undeformed and lack the greenschist facies metamorphism of the oceanic rocks to the north.

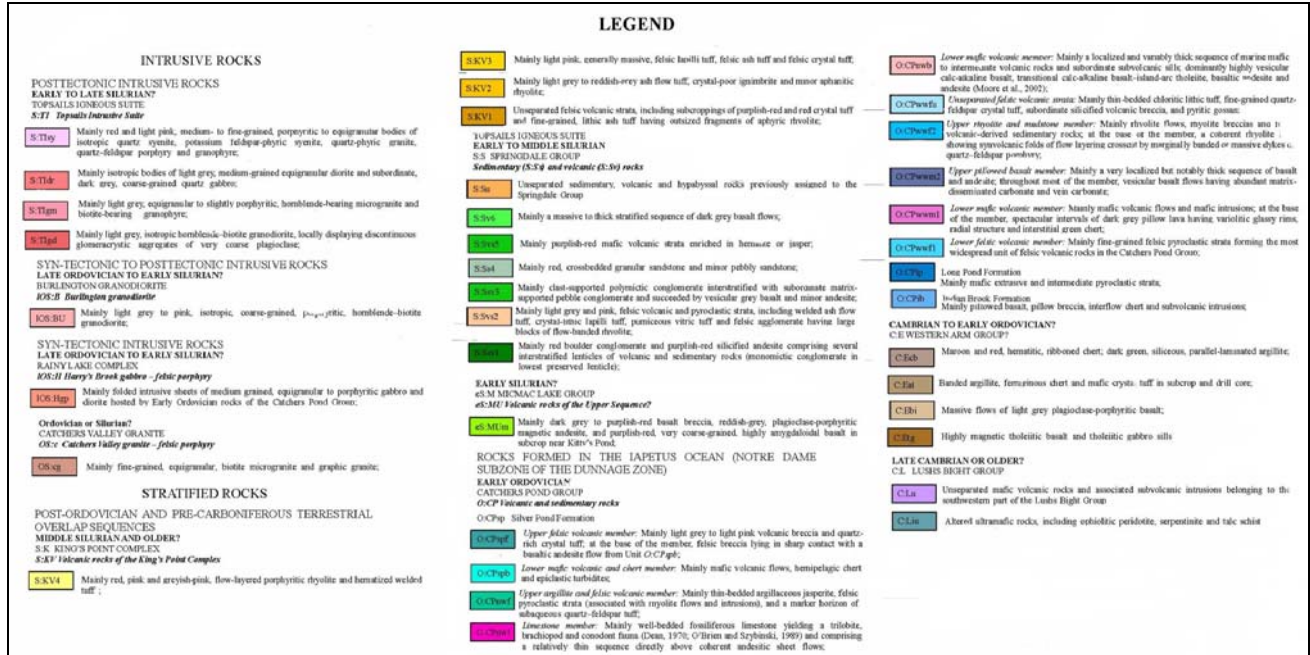


Figure 6: Geological Legend for Figures 7-9

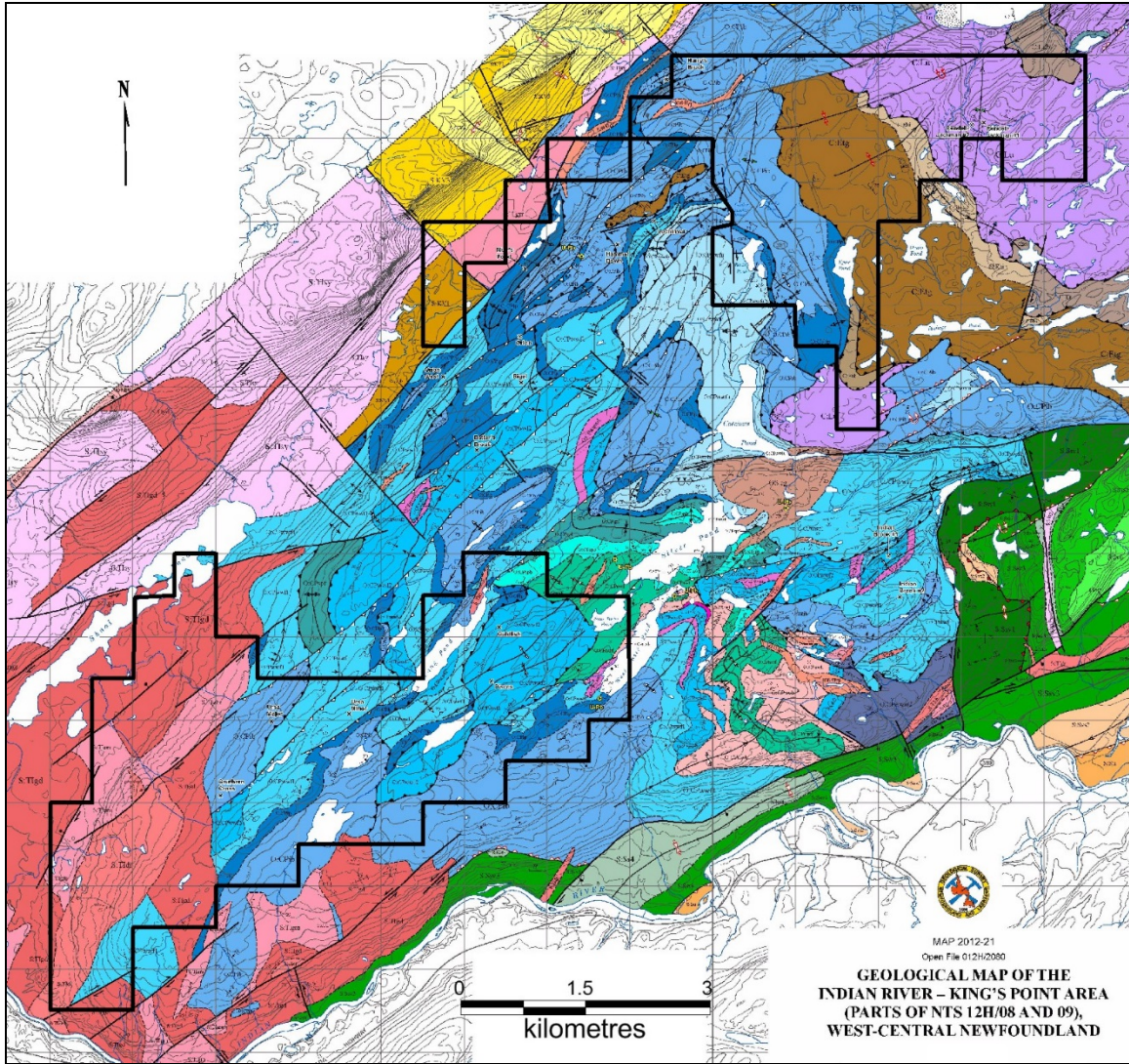


Figure 7: Regional Geology – Map GSN 2012-21 (after O'Brien, B.H., 2012)

Property Geology

The easternmost and southernmost portions of the North Block are underlain by late Cambrian-aged (or older) Lushs Bight Group rocks composed of unseparated mafic volcanic rocks and associated subvolcanic intrusions (DeGrace, 1971). Rocks include basaltic pillow lava, pillow breccia, hyaloclastite, chlorite schist, gabbro sills and sheeted diabase dykes. Generally non-magnetic extrusive rocks host numerous chalcopyrite-rich gossans and alteration zones marked by polyminerale veins. This is the host for the Rendell-Jackman deposit.

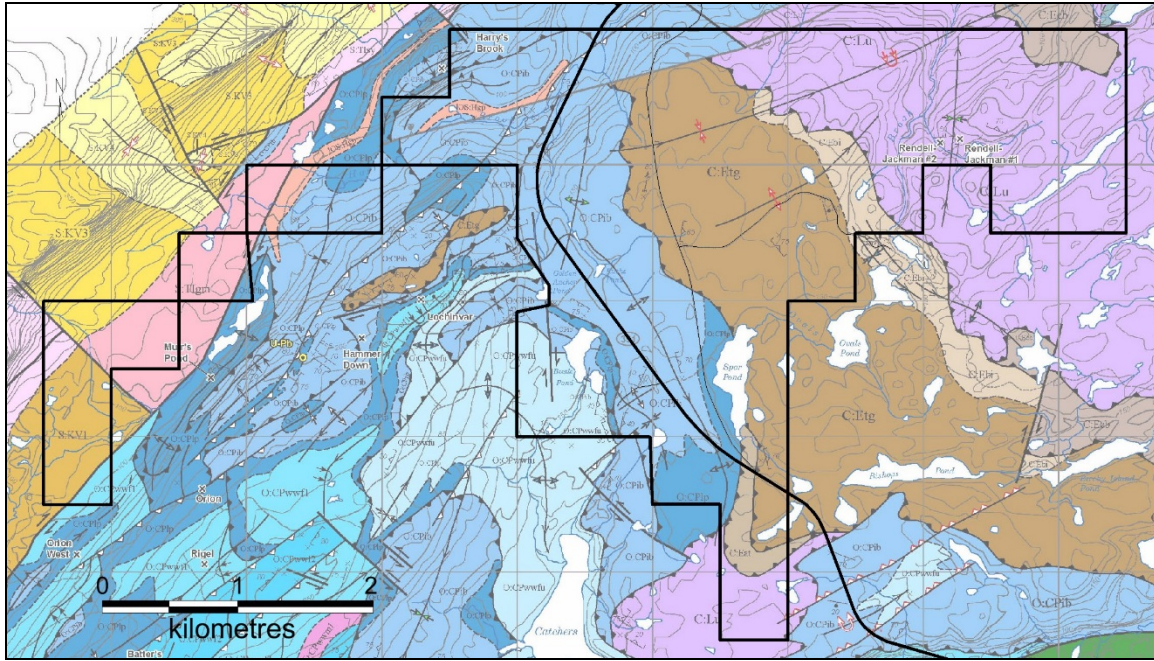


Figure 8: Geology of the North Block (after O'Brien, B.H., 2012)

The Lushs Bight Group of rocks are bounded to the west by younger Cambrian to early Ordovician-aged Western Arm Group of rocks composed of massive flows of generally non-magnetic light grey plagioclase-porphyrific basalt and highly magnetic tholeiitic basalt and tholeiitic gabbro sills (Jenner and Szybinski, 1987). Disseminated epidote alteration is common. Thin horizons of porphyroblastic chalcocopyrite occur in mafic greenschist.

The early Ordovician-aged Catcher's Pond Group of rocks occur to the west of the Western Arm Group in the southwestern portion of the North Block. The Catcher's Pond Group consist of a north facing, conformable sequence of submarine, predominantly felsic volcanic rocks intercalated with several units of submarine mafic flows, tuffs and rare sediments. The rocks are divided into three subgroups in the Property area; the basement Indian Brook Formation overlain by the Long Pond Formation overlain by the lowest member of the West Waters Pond Formation.

The Indian Brook Formation consists of mainly pillowed basalts, pillow breccias, interflow cherts and subvolcanic intrusions. Throughout most of the unit dark green, well stratified, medium to fine-grained pillowed basalts occur with massive, medium to coarse-grained flows of plagioclase-porphyrific andesite and abundant gabbroic sills and multiple diabase dykes. The pillow lavas display pipe vesicles, glassy selvages, interstitial grey-green chert, and breccia. Minor pyrite-chalcocopyrite mineralization occurs in gossans present along contacts between mafic breccia and massive flows. Chlorite alteration is widespread.

The Long Pond Formation consists mainly of mafic extrusive and intermediate pyroclastic strata with thin sulphidic or jasperitized interbeds of dark to light green, fine-grained plagioclase-phyrific dacitic crystal tuff and light grey felsic lithic-crystal tuff typified by quartz eyes set in a lapilli-rich matrix at the base. The middle part of the Formation consists of a well stratified interval of poly lithic tuff having conspicuous fragments of light green dacitic ejecta together with clasts of light pink rhyolitic glass. The upper part of the Formation consists of extensively carbonate-altered and highly silicified basalt flows capping glassy intermediate tuff and jasperitized felsic tuff together hosting laterally discontinuous stratabound zones of massive jasper and crosscutting zones of hematite-bearing quartz veinlets.

At least two generations of faulting are interpreted in the region including early thrusting (e.g. Shoal Pond thrust contact) and later brittle faulting displaying both apparent sinistral and dextral displacement with unknown vertical offset, most prominently displayed by the Catcher's Valley and the Captain Nemo Faults.

Mineralization

In the Springdale area, three copper and one gold mine has been in production since the 1960's. The Whalesback Mine (1965-1972) produced 4.18 million tons of ore at 0.85% Cu and the adjacent Little Deer Mine (1974) produced 82,000 tons at 1.5% Cu. (Canadian Mining Journal, 2012).

The Little Bay Mine (1961-1968) produced 3.4 million tons grading 1% Cu and 0.05 g/t Au (Gibbs, G.H., 1967) and additional VMS-style prospects include the McNeilly-Colchester prospect, the Stirling deposit, the Batter's Brook deposit, and the Rendell-Jackman prospect containing significant base metal and gold mineralization.

The Hammerdown gold mine (2000 – 2004), located approximately 2 kilometres west of the North Block and owned by Maritime, produced 291,400 tonnes of ore at an average grade of 15.83 g/t Au, recovering a total of 143,000 ounces of gold. The deposit lies within a northeast trending 100-250 metre wide high strain zone (structural "corridor") of strong ductile to brittle shearing that is situated within the uppermost units of the Catchers Pond Group. Additional deposits along the trend include the, Rumbullion, Muddy Shag, and Orion Gold Deposits, plus several other gold mineralized zones.

All of the above mentioned past producing mines, deposits, or prospects, except for the Rendell-Jackman prospect, are not located on the King's Point Property and are mentioned to demonstrate the potential for quantity and grade ranges for exploration potential for the region and is not currently indicative of mineralization currently found on the King's Point Property.

A total of eight mineral occurrences have been discovered on the King's Point Property during historic exploration activities; three on the North Block including the Rendell-Jackman past producer, Golden Anchor prospect, and Beetle Pond showing, and five on the South Block including Goldfish, Pisces, Ursa Major, Ursa Minor, and Southern Cross occurrences (Figure 10). To date, the most important base-metal occurrences have all been found within the upper calc-alkaline felsic member of the Catcher's Pond Group of rocks.

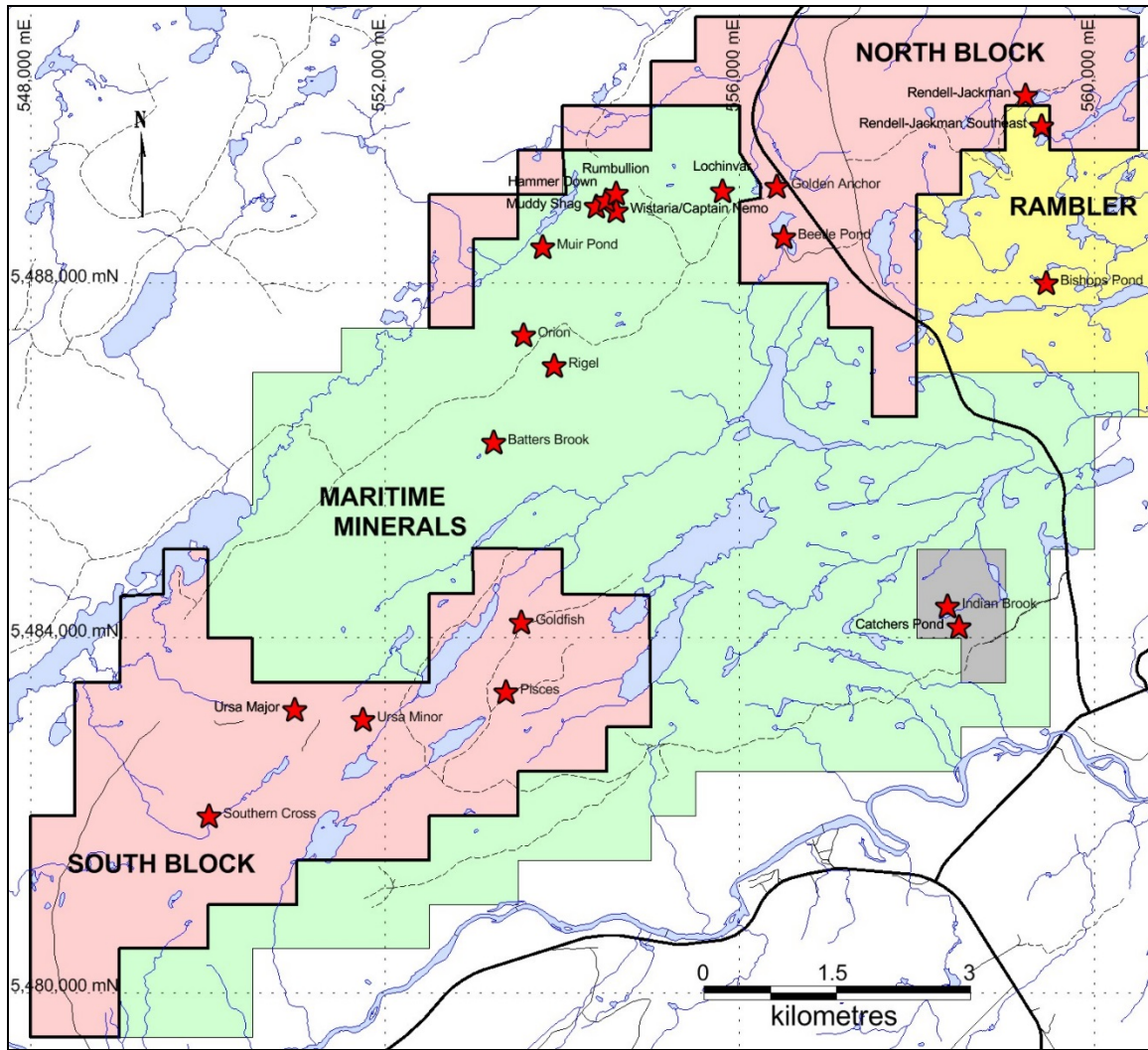


Figure 10: Regional Mineral Occurrences

North Block:

Rendell-Jackman Past Producer (Cu, Zn, Au): The Rendell-Jackman deposit has had a long history of exploration dating back to 1909. Three shafts were dug over a 40 metre strike length and several thousand tons of material were mined by the operators of the old Tilt Cove and Bett's Cove Mines. Two small VMS stratabound massive sulphide bodies, occurring within a shear zone in mafic volcanic and sediments, were identified and are of the "Bett's Cove" Type. High grade copper values of 3-4% Cu were recorded from selected areas but the deposit was considered too small to develop (Andrews, 1991).

Diamond drilling by the Newfoundland government in the 1930's (6 drillholes) reported intersecting narrow intervals of high grading copper mineralization. Notable reported sample intervals included 1.6% Cu over 0.6 metres, 2.39% Cu and 5.5 g/t Au over 1.2 metres, 1.21% Cu over 0.6 metres, 4.65% Cu over 0.6 metres, 1.88 g/t Au over 2.1 metres, and 2.2 g/t Au over 1.8 metres (MacLean, 1947).

Diamond drilling by Noranda in 1990 (2 drillholes) intersected a 22 metre wide zone of strongly chlorite-altered schist containing narrow bands of massive sulphides consisting of pyrite and chalcopyrite. Notable reported sample intervals include (DDH RJ-90-6) 1.24% Cu, 6.5% Zn, 14.3 g/t Au, and 19.6 g/t Ag over 0.6 metres and 0.82% Cu, 0.22% Zn, 6.99 g/t Au, 5.8 g/t Ag over 0.7 metres and (DDH RJ-90-

7) 0.67% Cu, 1.57 g/t Au, 2.2 g/t Ag over 0.9 metres (Andrews, 1991). The best results from trenching, adjacent to the old #2 shaft, gave a combined assay of 3.09 g/t Au, 7.9 g/t Ag and > 1% Cu over 3.4 m (Andrews, 1988).

Due to the sparsity of drilling, the current length, average width, or depth of mineralization cannot as yet be determined.

Golden Anchor Prospect (Au): The prospect is in an area of a flexure extending across from the Hammerdown Mine, as defined by magnetics and geological mapping. This prospect lies within 200 meters of the known "Lochinvar" deposit which currently has a mining lease issued. The Lochinvar massive-sulphide deposit is one of the best documented VMS deposits known on the island. Massive sulphide mineralization contains zinc, lead and silver with significant gold and copper.

The Golden Anchor prospect lies immediately to the east of the Lochinvar deposit and has seen only limited exploration in the past. A 500 meter long, 110 degree trending gold in soil geochemistry anomaly was delineated through soil geochemistry. Two notable drillholes tested the gold-in-soil anomaly, RJ-12 intersected three gold intersections grading 1.86 g/t Au over 2 metres, 0.06 g/t Au over 3.9 metres and 0.06 g/t Au over 1.6 metres in a cherty exhalite interval and GA-7 intersected a 0.3 metre interval grading 1.71 g/t Au, a 0.5 metre interval grading 0.15 g/t Au and 2.8 g/t Ag, and a 0.6 metre interval grading 0.01 g/t Au and 29.4 g/t Ag .

Beetle Pond Showing (Zn, Pb, Ag): Located just south of the Golden Anchor prospect, the Beetle Pond showing is defined by a large lead-zinc-silver soil geochemical anomaly measuring in excess of 1.5 kilometers. A moderate chargeability anomaly trends northwest through the zone. Drilling intersected broad zones of disseminated sphalerite mineralization. The limited shallow drilling, intersecting highly chloritized felsic volcanics containing intersections of zinc including one intersection grading 1.6% Zn over 2 metres, is insufficient to determine size potential of mineralization. Three samples collected from angular quartz float near Beetle Pond itself assayed 1.5, 3.0 and 9.9 g/t Au. The source of the gold mineralization remains unresolved.

South Block:

Although exploration in the South Block area resulted in the discovery of several occurrences, none of these occurrences are listed in the NL Governments MODS (Mineral Occurrence Database). The following occurrences are detailed in historic Assessment Reports.

Ursa Minor (Cu, Pb, Zn), Ursa Minor (Cu, Pb, Zn), and Southern Cross (Cu, Pb, Zn): These occurrences are located approximately 4 kilometres southwest of the Batters Brook massive sulphide prospect. The Ursa Minor mineralization consists of stringer and semi-massive sulphides returning low grading base and precious metal assays over broad widths including 0.23 g/t Au and 25 g/t Ag over 30.8 m as well as 1.1% Zn over 13.5 m. The Ursa Major and Southern Cross occurrences have sections of disseminated to semi-massive sulphides with the best intersection grading 3.7% copper over 0.2 metres.

Pisces Occurrence (Cu, Pb, Zn): Discovered by Phelps Dodge in 1997, this zone is hosted by felsic volcanics of the Indian Brook package and consists of a narrow band of massive sulphides intersected in drilling grading 12.9% Zn, 8.5% Pb, 1.02% Cu, 54 g/t Ag and 0.11 g/t Au over 0.13 m (drillhole GF-3, Thurlow, 1997). Subsequent drilling by Phelps Dodge intersected similar sulphides down dip; however, the zone remains untested along strike and at depth below 100 m (Thurlow, 1998).

Goldfish Occurrence (Cu, Pb, Zn): Also discovered by Phelps Dodge in 1997, this zone is located in the northeast corner of license 4330 and consists of a 0.65 m wide section of granular, pyritic massive sulphides intersected in drillhole GF-9 grading 1.36% Zn, 0.69% Pb, 0.06% Cu, 164.5 g/t Ag and 0.95 g/t Au over 0.65 m (Thurlow, 1997). The mineralization is interpreted to occur at a transitional contact between aphyric rhyolite breccias (Indian Brook felsic package) and an overlying sequence of felsic tuffaceous rocks and sediments (Batters Brook felsic volcanic package). Subsequent shallow drilling by Phelps Dodge failed to intersect additional comparable mineralization down dip or along strike; however,

drilling of the horizon was hampered by a sequence of mafic dyke/sill units which dilate stratigraphy in the area.

Although coincident soil geochemistry and geophysical surveys including magnetics, IP chargeability, and EM surveys have delineated a northeast trending zone extending 4 kilometres over the South Block, the density of follow-up drilling is insufficient to ascertain length, width, depth and continuity of mineralization.

Deposit Types

Volcanogenic massive sulphide (VMS) deposits are one of the most common families of mineral deposits on earth, consisting of irregularly-shaped, tabular bodies of nearly 100% sulphides within volcanic host rocks deposited in a submarine environment. Seawater circulates through active volcanic rocks and becomes heated, picking up small quantities of metals from the rocks. The heated metal-rich seawater is spewed onto the sea floor as underwater geysers (“black smokers”) from which the sulphide minerals precipitate.

Pyrite is generally the most abundant sulphide, though many non-Newfoundland deposits contain significant pyrrhotite. The base metals, including zinc (from sphalerite) and copper (from chalcopyrite) are the two most important commodities produced from most VMS deposits with lead (from galena) having less importance economically.

A typical VMS system, occurring in structurally complex settings, consists of two main ore types; 1) Massive sulphide and 2) stringer or stockwork ore. The massive sulphide is a much smaller target than the alteration zone (mainly chloritization, sericitization and pyritization) and tends to be aligned in conformity with the host volcanic strata whereas the stringer/stockwork zone forms beneath the massive sulphide and consists of irregularly shaped sulphide disseminations and veining.

The Buchans area, located approximately 75 kilometres south of the King’s Point Property, is recognized as one of the world’s most important VMS “camps”. The historic Buchans Mine operated from 1928 to 1984 and was regarded as one of Canada’s richest base metal mines and is reported to have produced approximately 16 million tonnes of high grade zinc, lead and copper over that period.

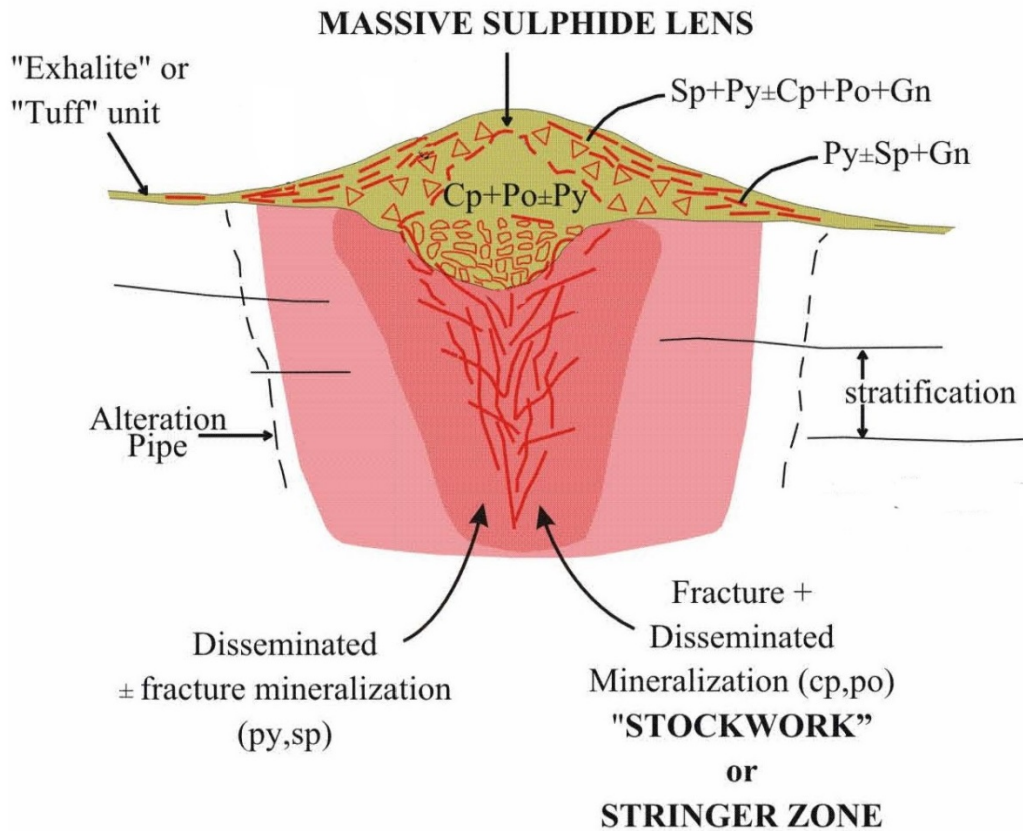
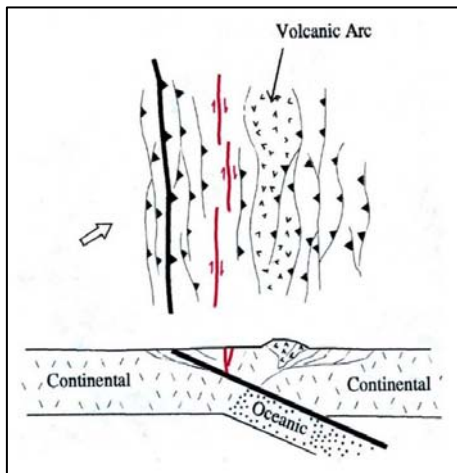


Figure 11: Characteristics of an Idealized Volcanogenic Massive Sulphide Deposit

Mesothermal gold deposits are known for their large size and continuation to depth, and therefore, are a major source of the world's gold production. They have been widely described and given many names including Motherlode, Homestake, Low Sulphide Quartz Gold, and Structurally Hosted Vein Systems.

These gold deposits occur in the crust at the end of arc-to-continent and continent-to-continent collisions (such as the closing of the Iapetus Sea) where transcrustal strike-slip (and thrust) faults formed by strain features provide conduits for the large volume of fluid that is generated during collision. The deposits are hosted predominately in greenschist facies rocks and in spatial association with granites.



The gold deposits are formed at moderate temperature and pressure in a low salinity and high CO_2 environment along these fault systems. Mineralization along the faults is sporadic yet often continuous to great depth where it does occur. Veins are usually less than two meters wide and often occur in parallel sets.

Intense carbonate alteration is always present. Mineralogy of deposits is limited to (in descending order) quartz, carbonates, alkali feldspar (usually albite), sericite, pyrite, and lesser tourmaline, arsenopyrite, scheelite, molybdenite. Sulphide mineralization is generally not significant.

Both exploration models suggest large linear deposits. Previous exploration activities included multiple types of geophysical surveys defining large areas of sulphide mineralization related to VMS systems. Historically, IP surveys have been found to be the most cost effective means of delineating the VMS mineralization found on the Property and will be considered for additional programs.

Figure 12: Collision Model for Mesothermal

Deposits (Bally and Oldow, 1985)

Due to the lack of sulphides, soil geochemistry was most effective at delineating targets for subsurface gold mineralization. At this time numerous untested drill targets from historic exploration programs still exist.

Exploration

Geological Mapping

Numerous surveys have been completed throughout the Property area. The most recent geological compilation is presented on Figure 7 (after Andrews, P. et al, 2012).

Geochemistry

Lake Sediment Geochemistry

The Geological Survey of Canada (GSC) has compiled a series of lake sediment geochemical samples encompassing the entirety of Newfoundland collected since 1978. The database is available as an Open File from the Newfoundland & Labrador Department of Natural Resources. Only six samples were collected on the King's Point Property. Results for gold, copper, and zinc for the area around the Property are illustrated on Figures 13-15.

The Catcher's Pond Group and Lushs Bight rocks show consistently elevated levels of base metal mineralization in lake sediments in the region. Gold is elevated in the region between the Golden Anchor prospect in the North Block to the Southern Cross occurrence in the South Block.

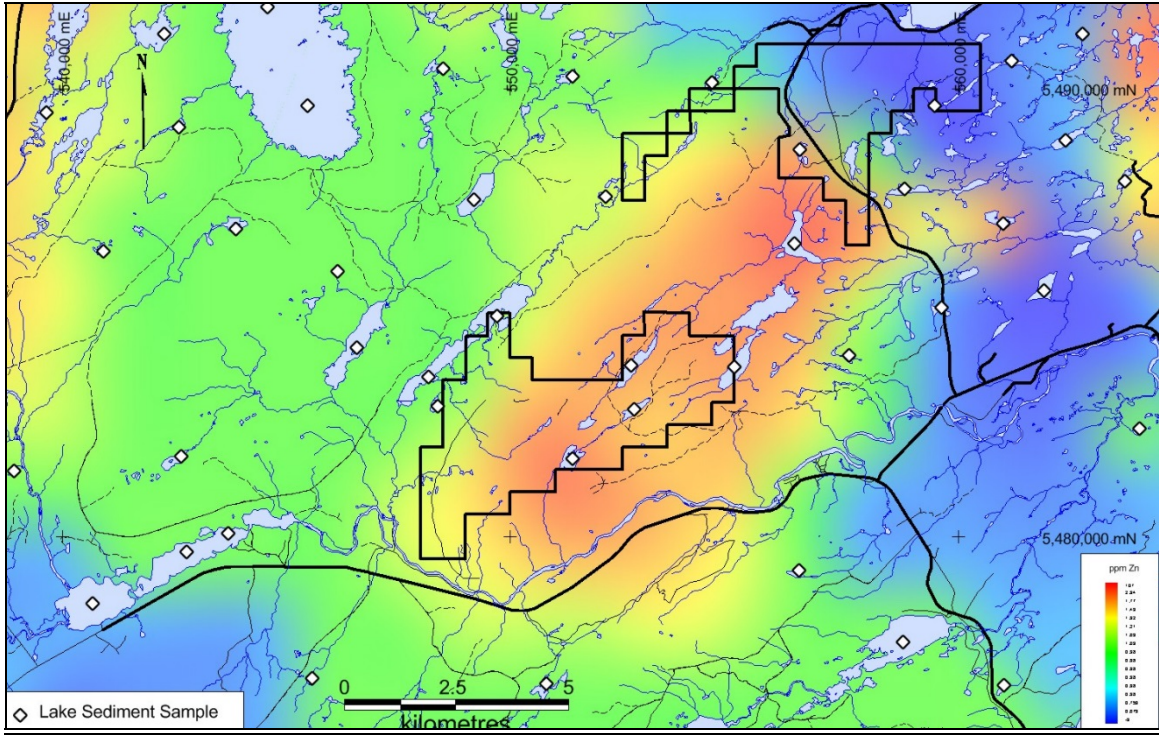


Figure 13: Au Lake Sediment Geochemistry

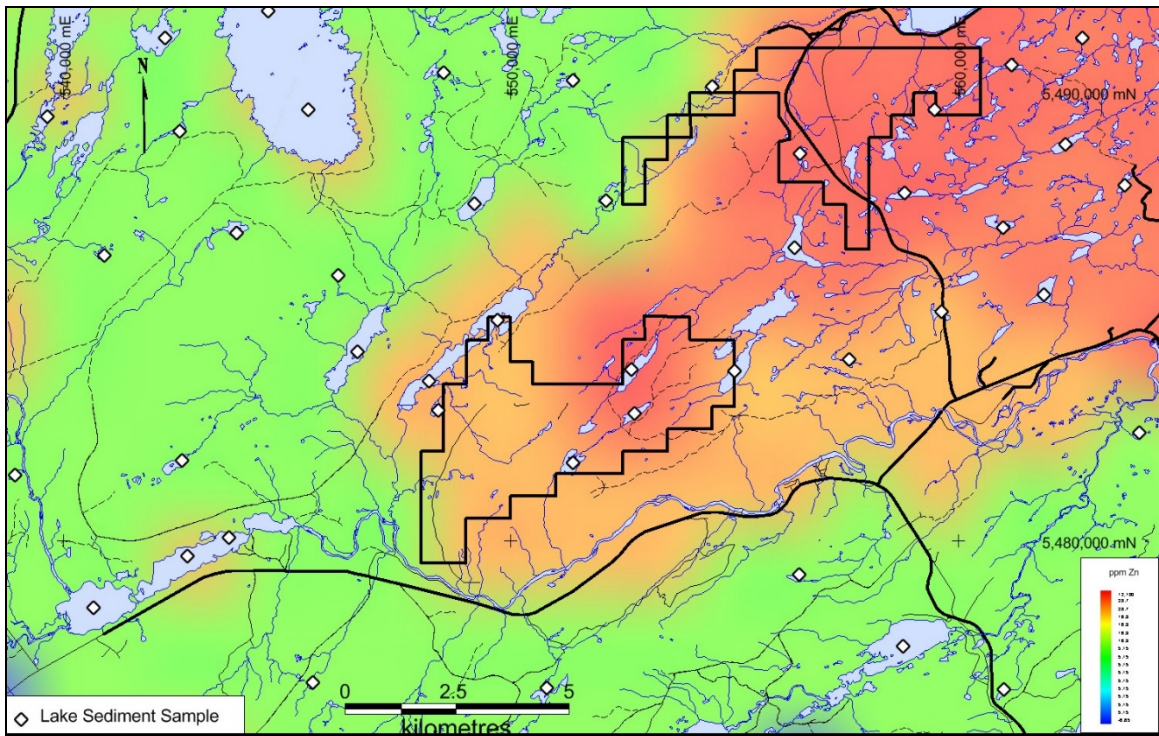


Figure 14: Cu Lake Sediment Geochemistry

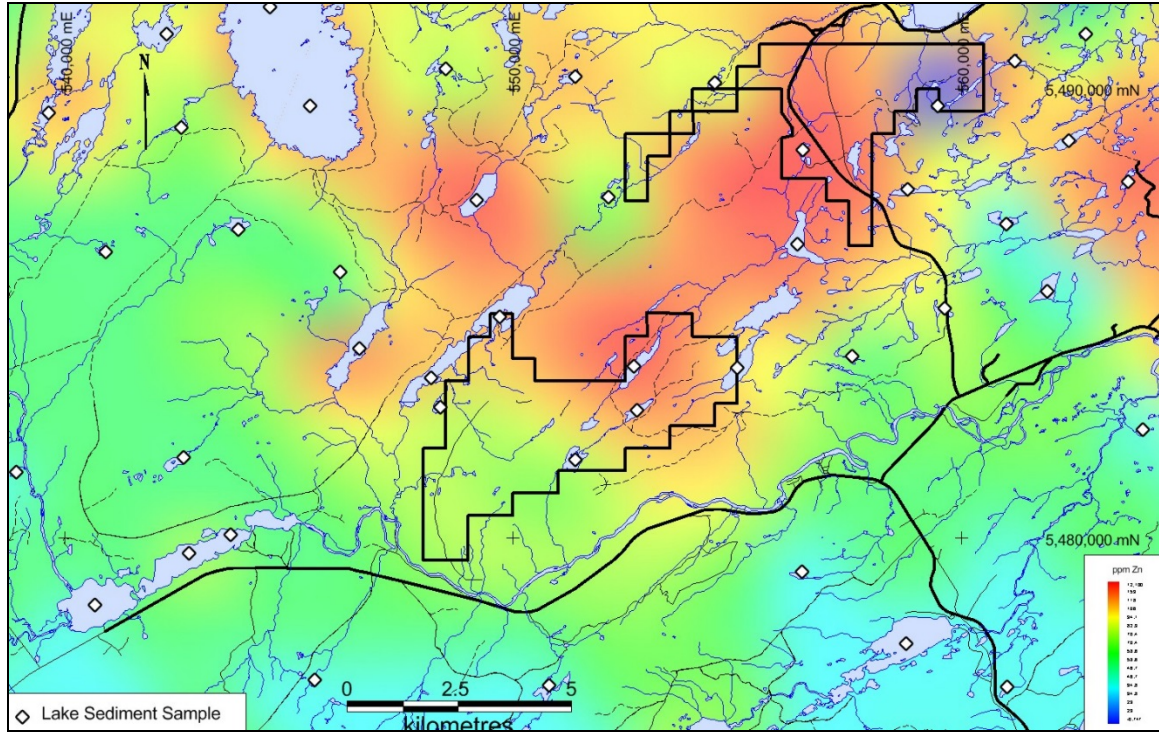


Figure 15: Zn Lake Sediment Geochemistry

Soil Geochemistry

North Block

Approximately 80% of the North Block has been tested by various soil sampling programs from 1966 to 2016. Soil sampling programs were compiled into a common database. Analytical values for copper were contoured and values for gold were presented as graduated symbols, illustrated together on Figures 16 and 18.

From 1966 to 1967, Brinex completed a regional-scaled soil geochemistry program that encompassed the northern half of the North Block. Only analytical results for copper and zinc were reported. A strong zinc anomaly (low copper) was noted in the Beetle Pond showing.

In 1989, Noranda completed a limited soil sampling program over the Rendell-Jackman deposit. A gold anomaly was delineated over the mapped shear zone shown to extend 150 metres to the northwest of the northwestern-most shaft.

From 1993 to 1998, Major General completed extensive soil sampling programs over various portions of the property at reconnaissance and detailed scale. Unlike the early Brinex sampling program, samples were analyzed for gold as well as base metals. These soil sampling programs were instrumental in the discovery of most of the mineral occurrences in the region, including the Hammerdown gold deposit. Also delineated by the soil sampling program is the Golden Anchor prospect, a 500 metre long gold anomaly trending at 110° with a high soil gold value of 308 ppb Au (Mullen, D., 1994).

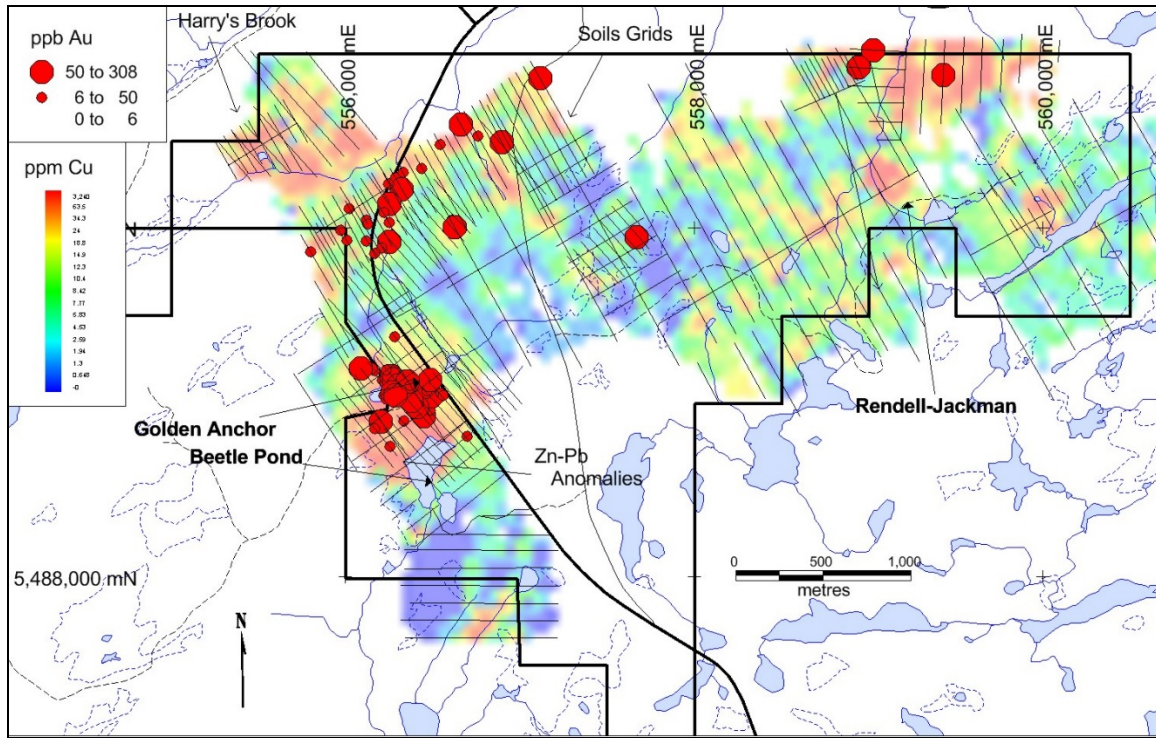


Figure 16: Copper and Gold Soil Geochemistry (North Block)

Six zones were delineated by the historic soil sampling programs; 1) the Golden Anchor (Au) prospect, 2) the Beetle Pond Zn-Pb-Ag showing, 3) the Harry's Brook (Cu) area, 4) the Rendell-Jackman (Cu-Zn-Au) workings, 5) Golden Anchor North (Au) area along the King's Point highway 400 metres north of Golden Anchor, and 6) an un-named area (Cu) situated at the northern extremity of the Property 500 metres north of Rendell-Jackman.

The most recent soil survey was completed in September 2016 by the Property owner. A total of 98 samples were collected along seven lines extending across the Golden Anchor prospect, and analyzed for a suite of elements including gold. The geochemical survey returned anomalous soil values to a maximum of 448 ppb Au, 1460 ppm Cu, 1305 ppm Zn and 802 ppm Pb. Analytical results for gold were combined with results from the Major General sampling program in the same area and contoured as illustrated on Figure 17.

Gold distribution in the Golden Anchor area trends 300 metres northwest – southeast extending off the Property to the northwest and extending off the sampled area toward the southeast. Although soils have been collected to the southeast of the extent of the grid, no analyses for gold or drill testing was completed in that area leaving the area prospective for continued exploration.

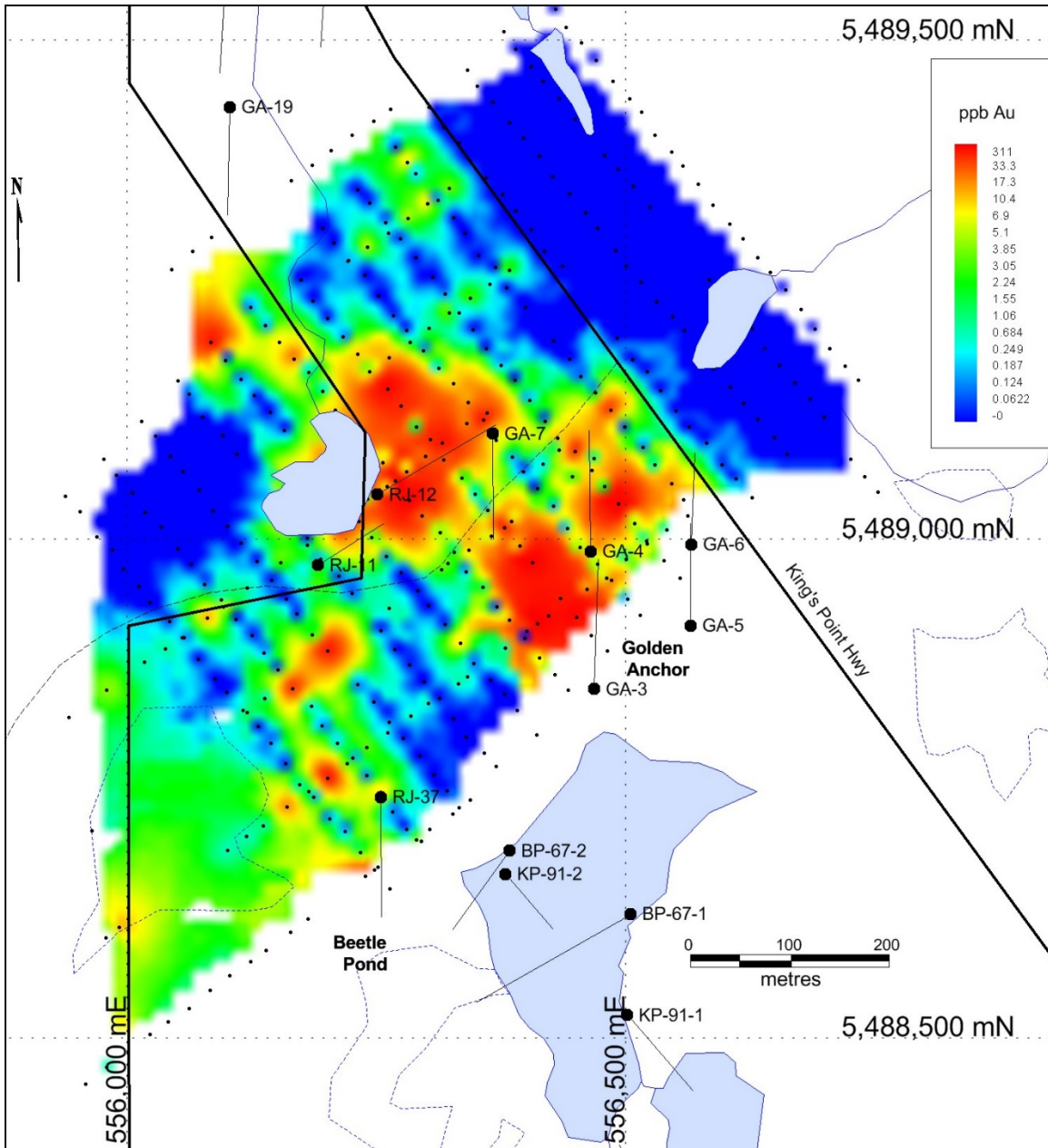


Figure 17: Gold Soil Geochemistry (Golden Anchor Area)

South Block

Major General's 1993 to 1998 soil sampling programs covered the Ursa Major, Ursa Minor and Southern Cross areas of the South Block. Long linear northeast trending anomalies coincided with IP chargeability and EM anomalies. Reported soil sampling over the Southern Cross occurrence could not be verified due to the poor quality of the Assessment Report and lack of geographical benchmarks in their presentation maps.

From 1995 to 1998, Phelps Dodge Corp completed soil sampling programs in the Goldfish and Pisces areas of the South Block. Although copper values were not reported in the Assessment Reports, values

for lead, zinc, silver, and gold-in-soils were produced. East-northeast trending Pb-Zn-Ag anomalies were delineated by the survey. Anomalous gold-in-soil results were weak and scattered.

In 1988, Noranda completed a regional-scaled soil sampling program from Shoal Pond to Indian River in four lines across the entire South Block. No gold or base metal anomalies were delineated within the South Block area during their survey.

In 1998, Rio Algom completed infill soil samples as well as extending several grids in the South Block. In 2001, Hudson Bay Exploration completed infill soil samples in both the North and South Blocks.

In 2003, Commander Resources completed several small sampling programs peripheral to previous large-scale programs.

Although most of the base metals-in-soils in the South Block are enriched in zinc and lead, lower values of copper are present as shown in Figure 18. Weakly anomalous gold values are scattered in areas of base metal-in-soils distribution.

In 1998, Rio Algom completed litho-geochemical sampling to better understand the position of the anomalies within the Catcher's Pond Group. Additional programs were completed by Hudson Bay Exploration and Major General. The conclusions derived from these surveys were often controversial.

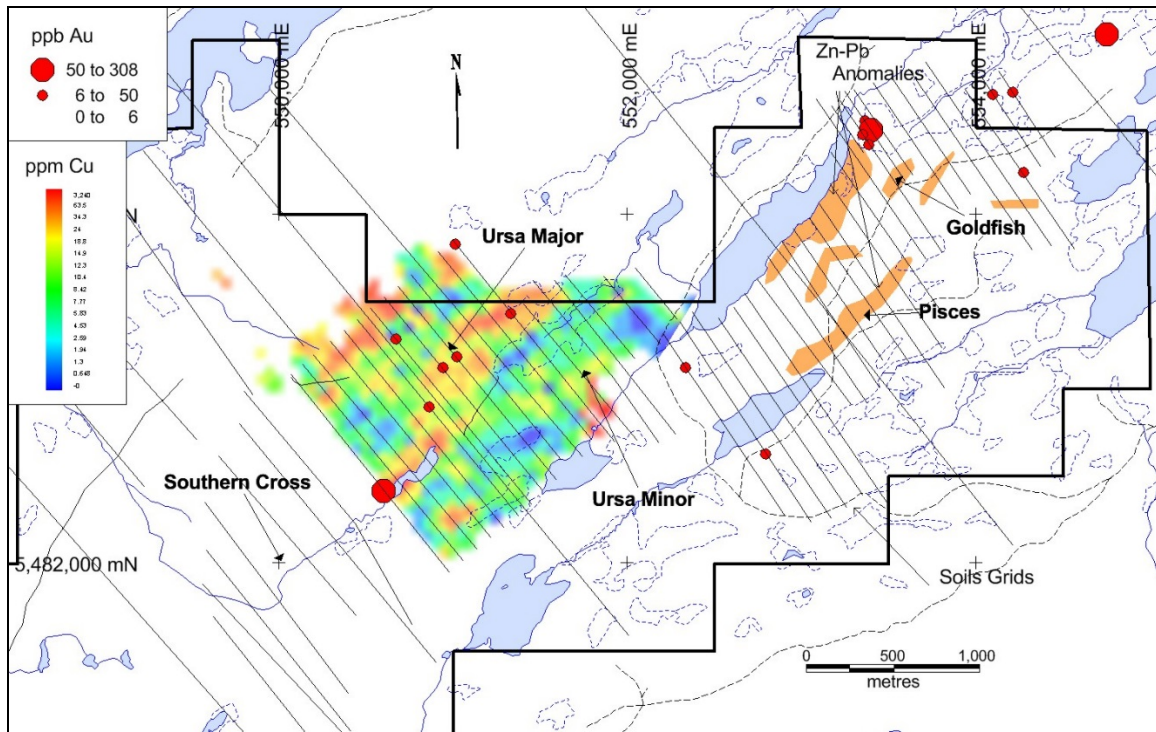


Figure 18: Copper and Gold Soil Geochemistry (South Block)

Rock Geochemistry

In 1951, Falconbridge Nickel Mines Ltd. completed an evaluation of the Rendell-Jackman deposit from outcrop and waste dump sample. An estimated 263 tonnes of handpicked rock (12.5% of total mined ore) was calculated to average 2.79% Cu and 1.9 g/t Au. Other dumps ran considerably lower grade including 81 tonnes grading 1.84% Cu and 254 tonnes grading 1.1% Cu (Unspecified author, Assessment Report 012H-0285, 1959). Historically, gold was never tested for.

Recent selective rock sampling of the Rendell-Jackman area was completed by D. Fraser in 2011 and 2015. Notable sample results are listed in Table 4.

Sample#	Au (ppb)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	As (ppm)
CC15-01	12712	15.4	67000	235	1914	135
CC15-02	228	2.4	195	100	3300	87
CC15-03	1704	15.1	55900	61	4700	108
CC15-04	3154	6.1	99800	28	1131	271
CC15-06	207	5.4	57400	16	584	11
CC15-07	60	3.7	32700	12	504	23
AP-02	2211	14.8	39000	117	437	60
AP-03	2577	14.3	25000	113	2900	80
AP-04	612	2	7080	21	134	24
AP-05	1025	1.7	915	41	8100	17
AP-06	1494	10	5962	53	8300	61
AP-09	10325	18.9	1764	250	271	120
AP-10	1244	5.9	9531	49	266	95
AP-11	3962	11.5	22900	115	404	155
AP-12	3965	12.7	24700	118	357	184
AP-13	1262	17.9	68000	245	2500	113
AP-14	4352	17.1	43000	197	6700	58
AP-15	2471	24.6	69000	262	794	77
AP-16	1754	17.2	55000	272	15600	48
AP-20	1934	12.8	7234	71	541	135
AP-21	5463	16.5	684	79	581	77
AP-22	1519	38.8	7878	73	14300	57
AP-23	8830	13.1	1724	88	17200	71
AP-24	29	0.2	1665	9	218	5

Table 4: Rock Geochemistry of Rendell-Jackman Workings

Geophysics

Magnetics

The magnetic survey method exploits small variations in magnetic mineralogy among rocks. Measurements are made using fluxgate, proton-precession and optical absorption magnetometers. Magnetic anomalies may be related to primary igneous or sedimentary processes that establish the magnetic mineralogy, or they may be related to secondary alteration that either introduces or removes magnetic minerals. In mineral exploration and its geoenvironmental considerations, the secondary effects in rocks that host ore deposits associated with hydrothermal systems are important and magnetic surveys may outline zones of fossil hydrothermal activity. Because rock alteration can effect a change in bulk density as well as magnetization, magnetic anomalies, when corrected for magnetization direction, sometimes coincide with gravity anomalies.

Airborne Magnetics:

The Geological Survey of Canada has flown regional-scaled aeromagnetic, gradiometer and VLF survey over almost the entirety of Newfoundland (Figure 19).

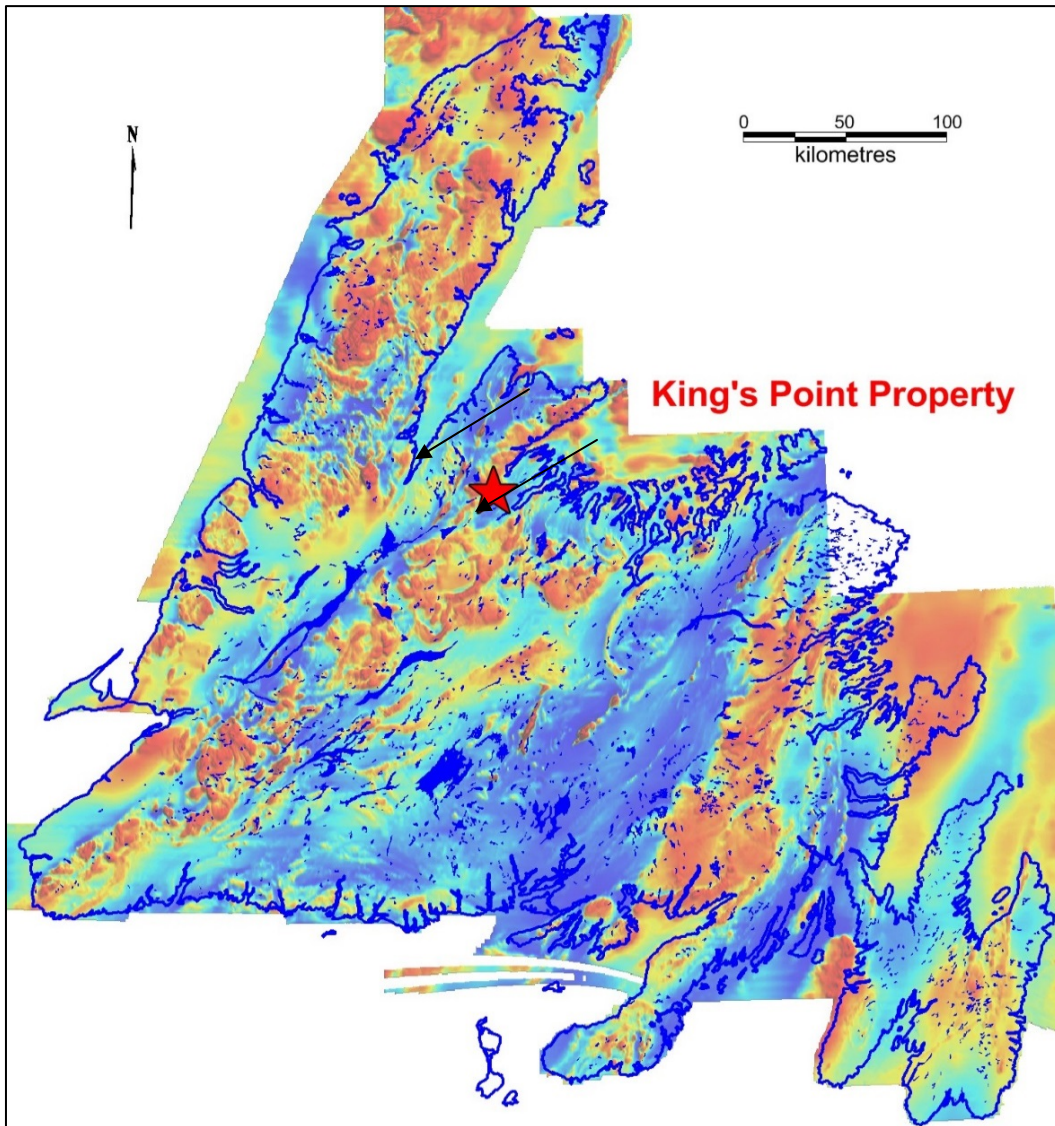


Figure 19: Newfoundland Total Field Magnetism (GSC Compilation)

In 1995, Major General completed airborne Magnetism and frequency domain VLF-EM surveys over most of the property. A more recent airborne survey was completed in 2001 by Hudson Bay including magnetism and GEOTEM[®] limited to the western half of the North Block and the entirety of the South Block. The Hudson Bay survey, overlying the GSC lower density survey, is presented as Total Field and 1st Derivative in Figures 20 and 21.

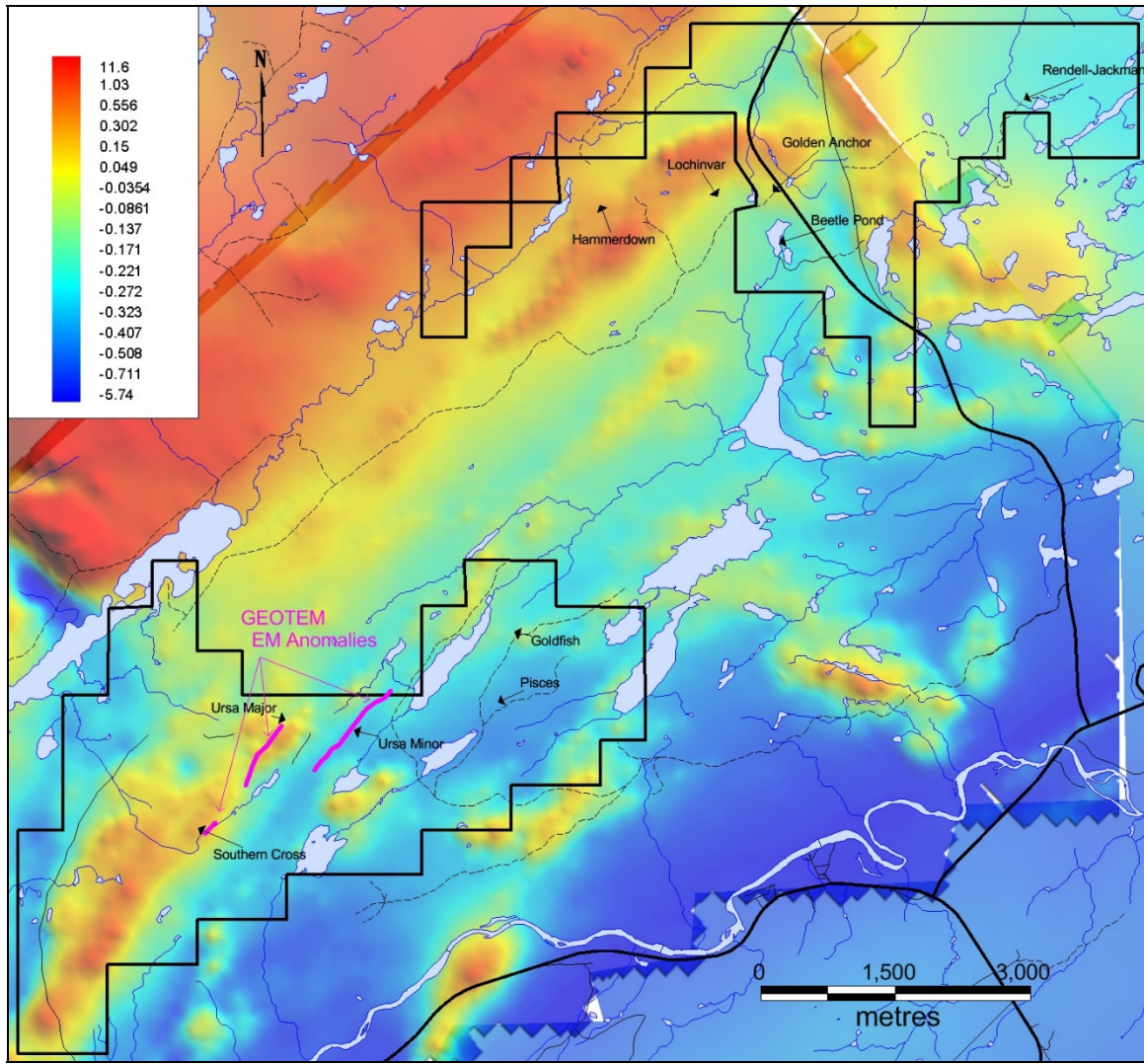


Figure 20: 2001 Airborne Magnetics - Total Field

What is of significance is the flexure of the magnetics in the North Block, most prominent in the 1st Vertical Derivative magnetics, trending northeast from the Hammerdown mine and bending southward toward the Golden Anchor prospect. This mimics the distribution of the Catcher's Pond Group of rocks and is interpreted as a broad open antiformal fold plunging moderately to the northeast.

The northeast trending strongly magnetic rocks transecting the South Block correlate with conductive rocks delineated by EM and IP surveys and outlines the regional geological fabric of the Catcher's Pond Group.

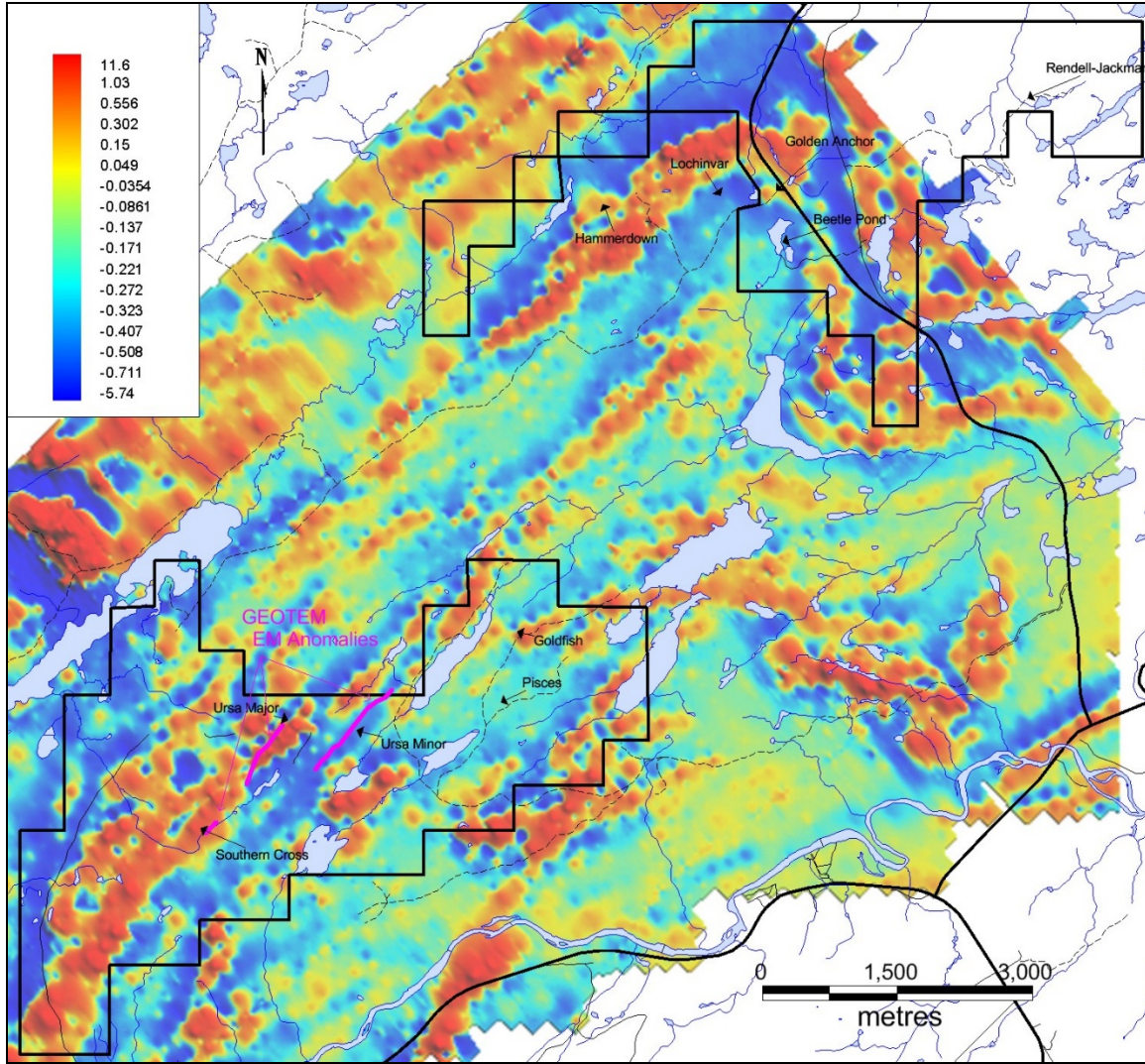


Figure 21: 2001 Airborne Magnetics – 1st Vertical Derivative

In 2014, D. Fraser commissioned 7842384 Canada Inc. to conduct a review of historic airborne surveys and complete a MAG 3D inversion of the Hudson Bay airborne magnetic data using the UBC Mag3D inversion codes and further processed using GoCad and GeoSoft software. The inversion encompassed both the North and South claim blocks.

Figure 22 illustrates a North Block plan of the 3D inverted magnetics highlighting the local significant deposits and prospects with overlaid contoured (n=2) 2011 IP line and Golden Anchor-Beetle Pond chargeability inversions.

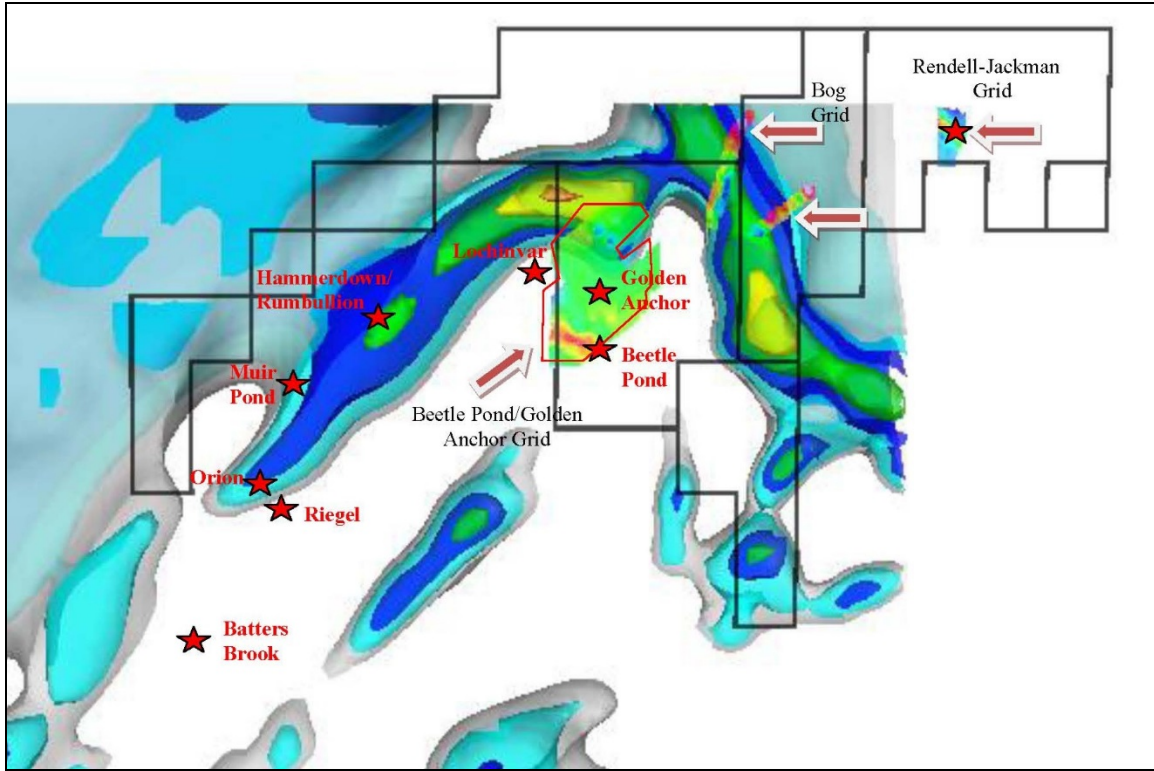


Figure 22: 2001 Airborne Magnetics (North Block) – Mag 3D Inversion (Fraser, 2014)

The magnetic 3D inversion technique illustrates several key features. The folded/deformed magnetic unit hosting the Hammerdown, Muir Pond, Rumbullion, and Orion gold deposits extends onto the King's Point Property for 700 metres before being truncated by a separate northwesterly trending magnetic body situated on the western flank of the Western Arm Group of mafic, highly magnetic rocks.

The magnetic inversion also suggests that the Golden Anchor prospect and Beetle Pond showing are either a separate sub-parallel unit situated to the south of and possibly unrelated to the magnetic trend hosting the gold showings on Maritime's neighbouring property or is a continuation that has been fault displaced southward.

Ground Magnetics:

In 1935 and 1936, Hans Lundberg of Toronto completed a ground magnetics survey of the Rendell-Jackman past producer.

In 1990, Noranda completed a 7.9 line-kilometre ground magnetics survey over the Beetle Pond showing. No significant anomalies were detected.

In 1993, Major General completed a survey over a 500 metre long gold-in-soil anomaly, 60% of which is located within the Property (Golden Anchor prospect) outlining a strongly magnetic zone.

In 1995 to 1996, Phelps Dodge completed surveys across the Pisces and Goldfish occurrences.

In 1997, Major General completed ground magnetics surveys along soil sampling lines in the Ursa occurrences.

In 2008, 2011 and 2015, D. Fraser completed ground magnetics surveys in the Beetle Pond, Golden Anchor and Rendell-Jackman areas (Figure 23). Magnetism in the Rendell-Jackman area confirmed a high magnetic anomaly coincident with high chargeability and anomalous soil geochemical anomalies. An east-west trending 250 metre long magnetic high was delineated coinciding with a gold-in-soils anomaly in the Golden Anchor prospect.

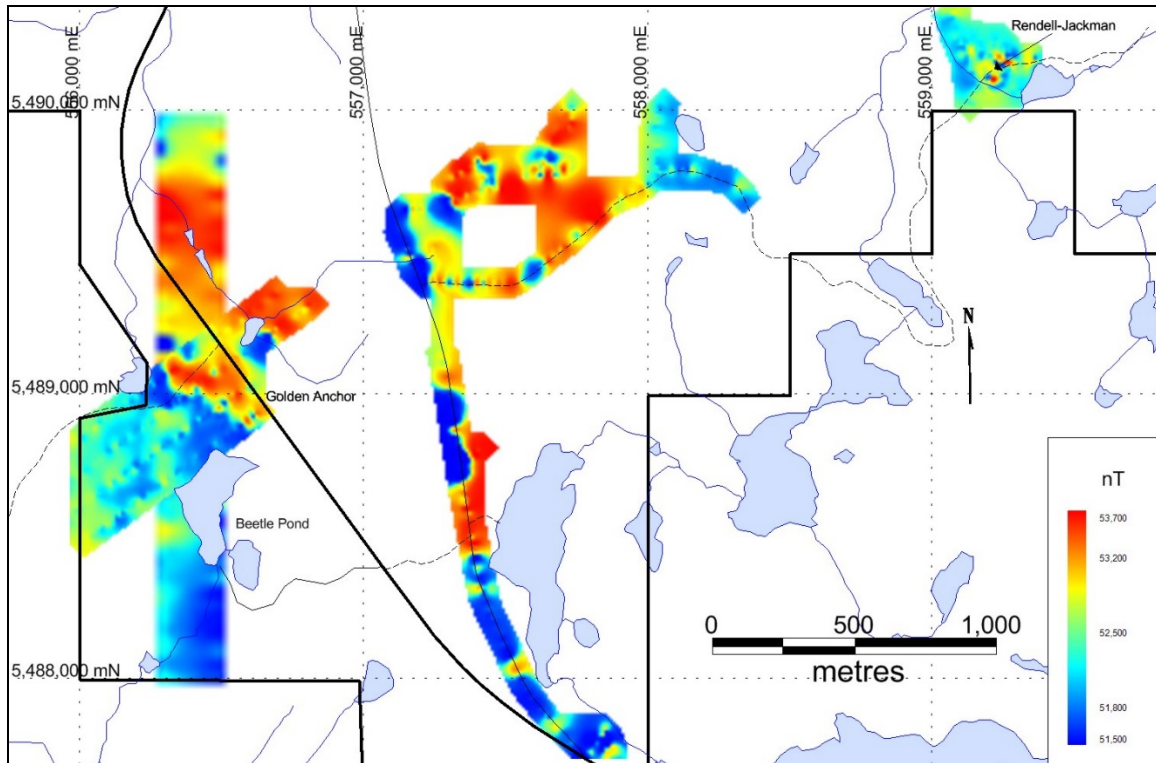


Figure 23: 2008-2015 Ground Magnetics Compilation

In all cases, where positive results correlated with soil geochemical anomalies or prospective geology, follow-up IP chargeability and resistivity surveys were completed over the anomalous areas. No drillhole targets were based solely on magnetism surveys.

Electromagnetic (EM) Surveys

Electromagnetic measurements use alternating magnetic fields to induce measurable current in the Earth. The traditional application of electromagnetic methods in mineral exploration has been in the search for low-resistivity (high-conductivity) massive sulphide deposits.

Within a large conductor such as a metasedimentary sulphide trend, surface EM methods will separate out low percent sulphide conductors from more massive ones to some extent, but there will be no separation of base metal-bearing and barren sulphides. The discrimination of high conductance is valid for shallow deposits only. Deeper massive sulphide deposits cannot generally be separated from within low percent sulphide systems because the size of these deposits is small compared with the size of the low percent sulphide and their response falls off more rapidly with distance.

Electromagnetic instruments for geophysical surveys fall into two general categories; time domain EM (TDEM) for metal detection and frequency domain EM (FDEM) used to measure the terrain conductivity, in-phase response, and magnetic susceptibility of rock, soil, and metal. Frequency domain surveys have

a limited depth of investigation (50-100 metres) and is typically used for identifying weak conductive sources or near surface targets.

VLF-EM survey methods use very-low-frequency, radio communication signals to determine electrical properties of shallow bedrock and near-surface soils, primarily as a reconnaissance tool. The technique is especially useful for mapping steeply dipping structures such as faults, fractures and shallow areas of potential mineralization. Depth of investigation varies from 4-5 meters in conductive soils to 40-60 meters in highly-resistive soils.

Some weaknesses of VLF surveys include: 1) sensitivity to cultural interference from pipelines, utilities, fences, and other linear, conductive objects, 2) bias from topographic effects that are difficult to remove from the data, 3) unfavorable ionospheric conditions that can sometimes compromise data quality, and 4) reliance on military VLF transmitters being subject to outages.

In 1993, Major General completed a survey over a 500 metre long gold-in-soil anomaly in the Golden Anchor prospect outlining a weakly conductive zone.

In 1995, Major General completed airborne Magnetics and frequency domain EM surveys over most of the property. The EM survey identified poor to medium quality conductors, only two of which were believed to originate from bedrock. Twenty two VLF-EM conductors were delineated during the survey, many of which were directly connected to topographical features and others short and isolated.

An apparent resistivity map was created with the horizontal coplanar coils configuration using the 230 Hz frequency, the best configuration for mapping horizontal conductors representing conductive tills. No such anomalies were observed suggesting the overburden depths are thin over the entire survey area.

Follow-up ground VLF-EM and magnetics surveys were completed by Major General in 1996 targeting a northeast trending strong magnetic anomaly transecting the South Block. Follow-up drilling targeted anomalies from these surveys.

In 1994 and 1995, Phelps Dodge completed ground magnetics and VLF-EM over the Goldfish and Pisces occurrences in the South Block.

In 1990, Noranda completed a 5.9 line-kilometre ground VLF-EM survey over the Beetle Pond showing. No anomalies were detected by their survey.

Time Domain Electromagnetics (TDEM) is a geophysical exploration technique in which electric and magnetic fields are induced by transient pulses of electric current and the subsequent decay response measured. Depending on subsurface resistivity, amount of current induced, receiver sensitivity and transmitter-receiver geometry, TDEM measurements allow geophysical exploration from a few metres below the surface to several hundred metres of depth. TDEM is useful for determining potential size, depth, strike and dip of conductors, and provide direction and distance to a nearby, missed conductors including distance to edges and centers of deposits around boreholes.

The GEOTEM[®] time-domain survey technique is based on the premise that fluctuations in the primary EM field produced in the transmitting loop will result in eddy currents being generated in any conductors in the ground. The eddy currents then decay to produce a secondary EM field that may be sensed in the receiver coil. Each primary pulse causes decaying eddy currents in the ground to produce a secondary magnetic field. This secondary magnetic field, in turn, induces a voltage in the receiver coils, which is the EM response. Good conductors decay slowly, whereas poor conductors decay more rapidly.

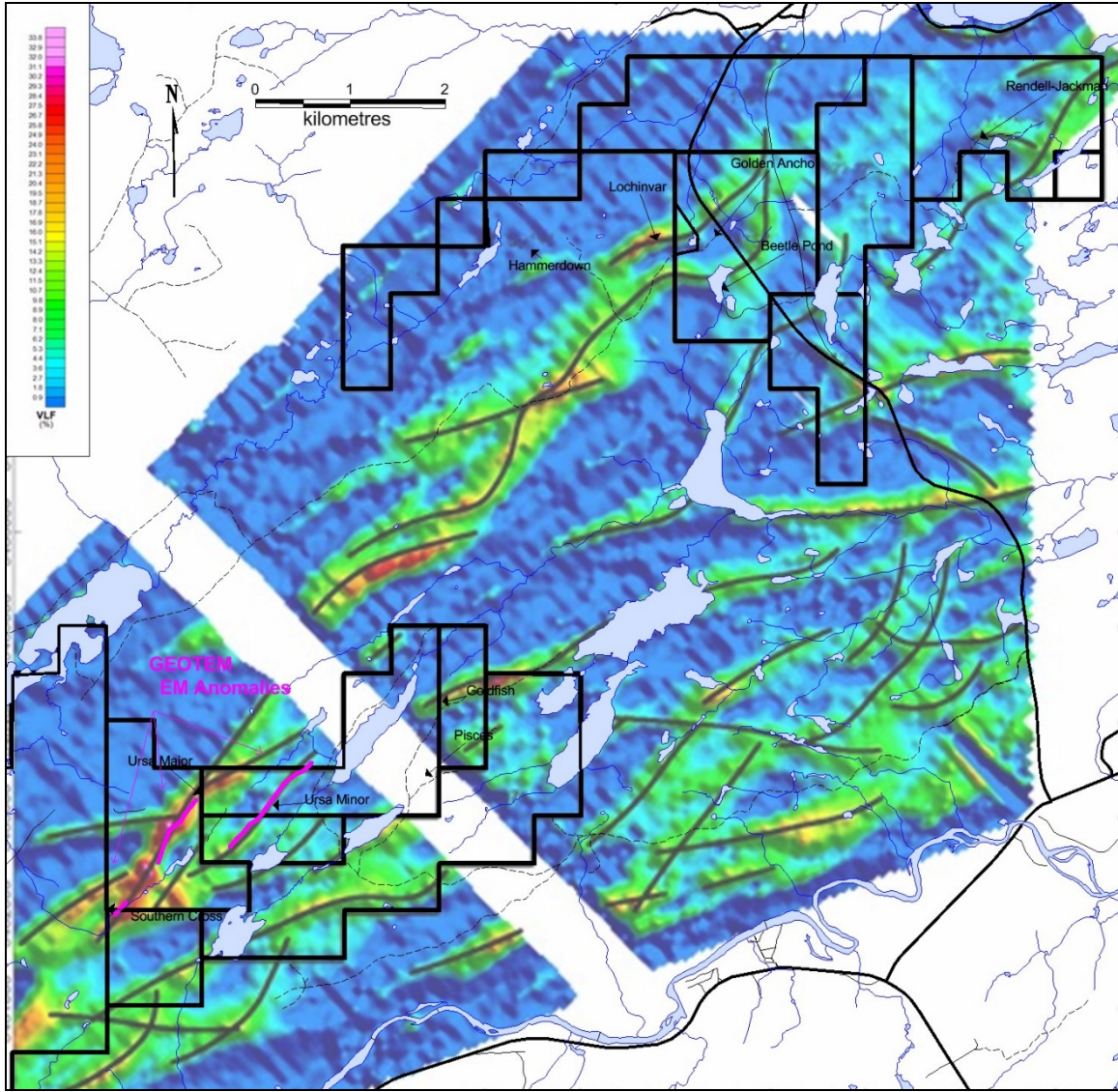


Figure 24: Reinterpretation of VLF-EM Lineament and GEOTEM® EM Data (Ralph, K., 2013)

In 2001, Hudson Bay Exploration completed a fixed-wing GEOTEM® survey over the South Block. Only one conductive anomaly was detected over rocks of the Catcher's Pond Group located immediately southwest of the Ursa Major occurrence over a strike length of 600 metres. Four other anomalies (outside of the South Block) were delineated over less prospective rocks of the Springdale and Lushs Bight Group.

In 2013, D. Fraser commissioned an independent, third party, interpretive report of both Major General's (1995) and Hudson Bays (2001) airborne EM surveys. Although it was noted that the data from the GEOTEM® survey was very "noisy" suggesting that any weak anomalous source could be masked, the results of the interpretation of the GEOTEM® data suggested that strong EM targets exist in the areas of Rendell-Jackman workings, Beetle Pond showing and the Golden Anchor prospect (Figure 24). The VLF data was useful in delineating fault and structural lineaments across the Property. While some features appear to correspond with magnetic features, many do not possibly representing lithological contacts or fault/shear zones.

HLEM surveys record the "In-phase" and "Out-of-phase" components of the anomalous resultant field from a shallow conductor as a percentage of the primary field strength. Generally, the larger the ratio of peak negative responses between in-phase and out-of-phase, the higher the conductivity of the anomaly.

In 1990, Noranda completed an HLEM survey over the Rendell-Jackman workings, encompassing a gold-in-soils anomaly they delineated in 1989. The survey delineated a weak conductor over the area of the old workings, however, failed to generate any significant anomalous trend east and west along strike of the zone.

In 1990, Noranda completed 10.5 line-kilometres of HLEM survey over the Beetle Pond showing. No significant conductive anomalies were outlined, however, the pond itself could not be surveyed due to the lack of sufficient ice thickness to support crews (Andrews, P, 1991).

In 2001, Hudson Bay Exploration completed HLEM surveys over 8 EM conductors delineated by their GEOTEM[®] airborne survey. Magnetometer and VLF-EM surveys were concurrently completed. Of the 5 anomalies tested, only the Ursa Major anomaly was confirmed by the HLEM survey.

Resistivity and Induced Polarization Surveys (IP)

Resistivity and Induced Polarization (IP) are commonly-used geophysical survey methods for measuring the electrical properties of subsurface rock. Both measurements are made by introducing a controlled electrical current into the ground using two current electrodes, thus energizing the ground, and then measuring the induced potential-field gradient voltage at (between) two non-polarizable receiver electrodes. The distance between the pair of current electrodes and the pair of potential-field electrodes determines the depth of investigation (the measured data).

The induced polarization method provides a measure of polarizable minerals (metallic-luster sulphide minerals, clays, and zeolites) within water-bearing pore spaces of rocks. Polarizable minerals, in order to be detected, must present an active surface to pore water. Because induced polarization responses relate to active surface areas within rocks, disseminated sulphide minerals provide a much better target for this method than massive sulphide deposits, although in practice most massive sulphide deposits have significant gangue and have measurable induced polarization.

In 1966, Brinex and Cominco completed 16 line-kilometres of IP surveying an area 2.75 kilometers from east to west centred over the Rendell-Jackman deposit. Only one line crossed the Rendell-Jackman deposit, exhibiting the highly chargeability nature of the then known deposit.

Concurrently, a northwest trending 900 metre long high chargeability/low resistivity with coincident magnetic high anomaly was delineated approximately 1.7 kilometres west of the Rendell-Jackman workings (Site L16E). Only trace values of copper and zinc were noted in soil geochemical sampling over the area.

In 1967, Cominco completed reconnaissance-scaled IP from the old Rendell-Jackman workings to the Beetle Pond showing.

In 1990, Noranda completed an IP survey over the Rendell-Jackman workings in conjunction with an HLEM survey, encompassing a gold-in-soils anomaly they delineated in 1989. A high chargeability and moderate to low resistivity trend was delineated by the survey, cutting through the old mine workings and extending 800 metres to the southeast and 200 metres to the northwest of the area.

In 1991, Noranda completed 8.9 line-kilometres of (pole-dipole) IP over the Beetle Pond showing. Two zones of moderate chargeability were delineated in the immediate vicinity of a previously discovered high grade gold-bearing quartz boulder on the bank of Beetle Pond. A 300-metre long moderate chargeability anomaly was also delineated 500 metres to the southwest of Beetle Pond.

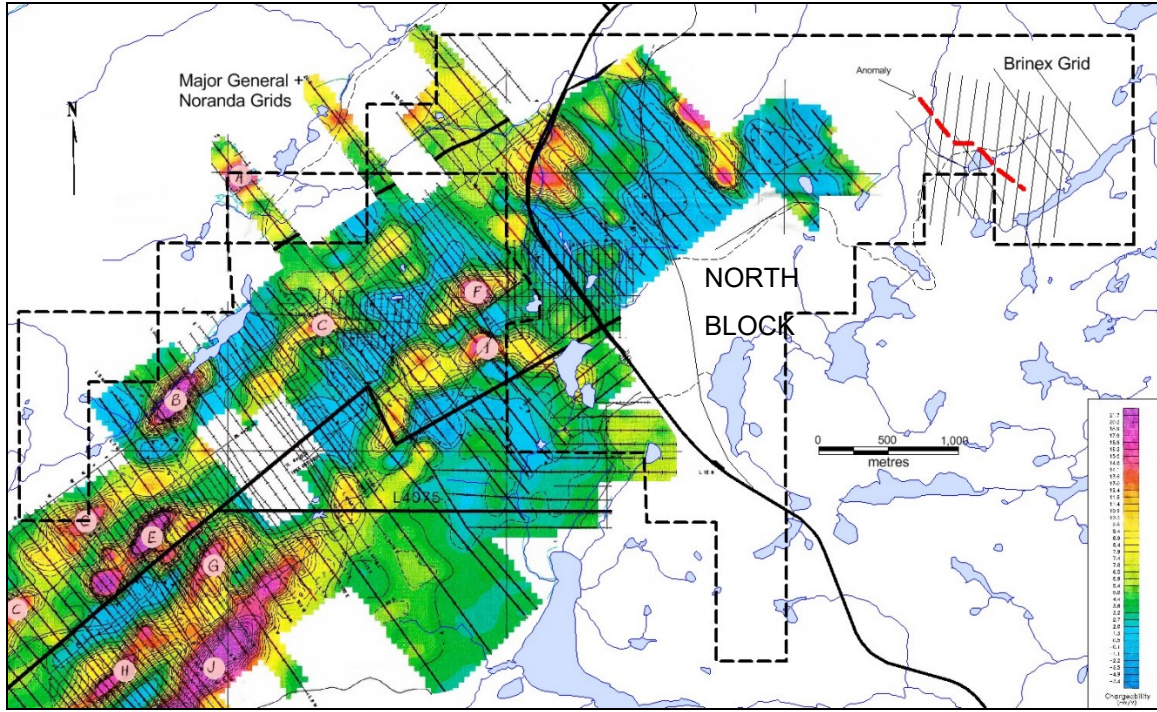


Figure 25: IP Chargeability Compilation (North Block)

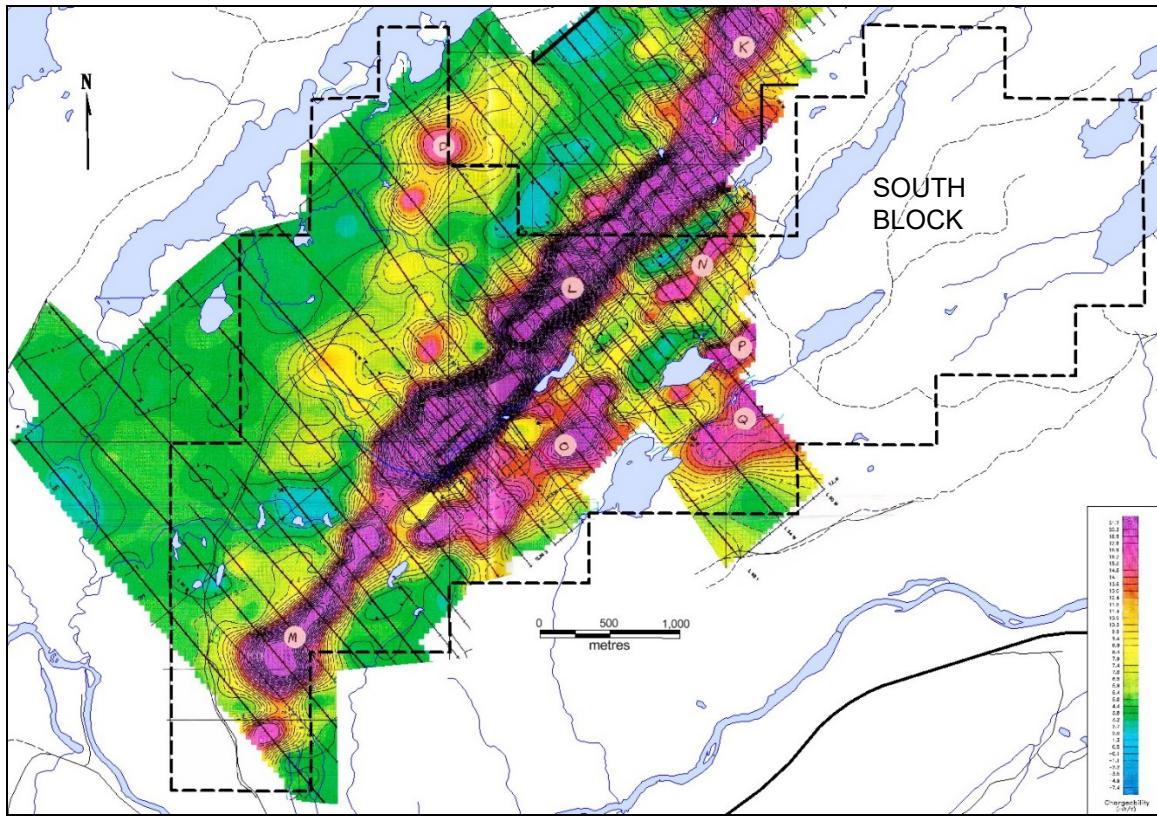


Figure 26: IP Chargeability Compilation (South Block)

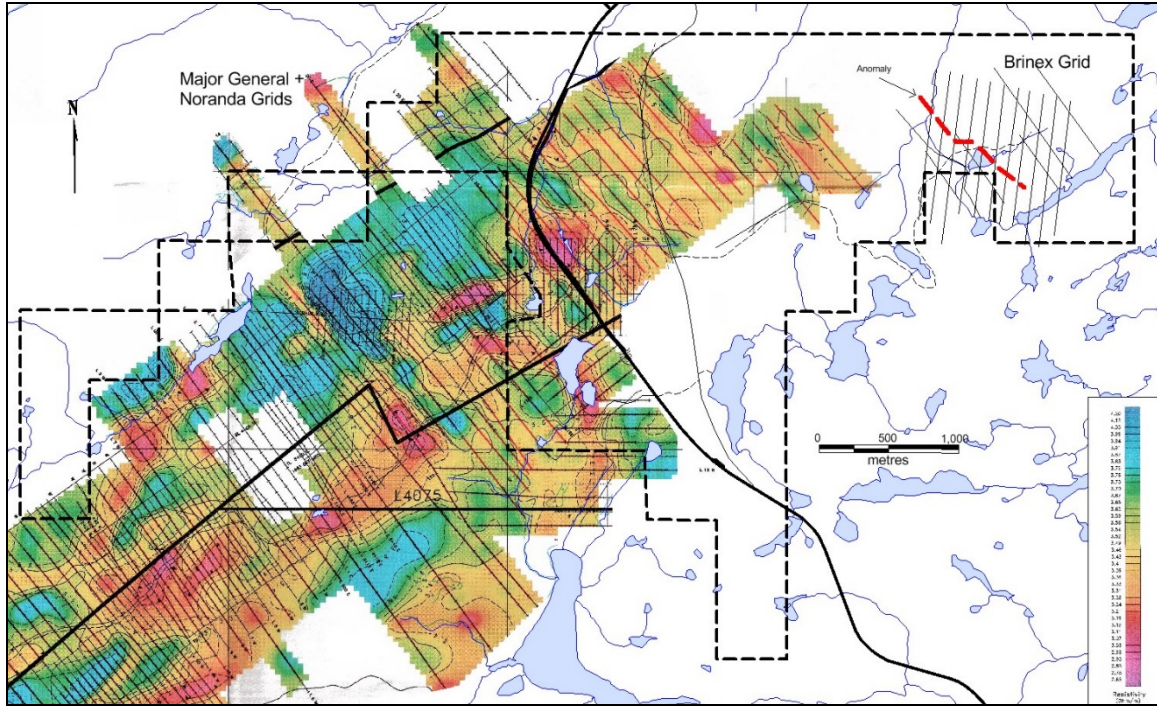


Figure 27: IP Resistivity Compilation (North Block)

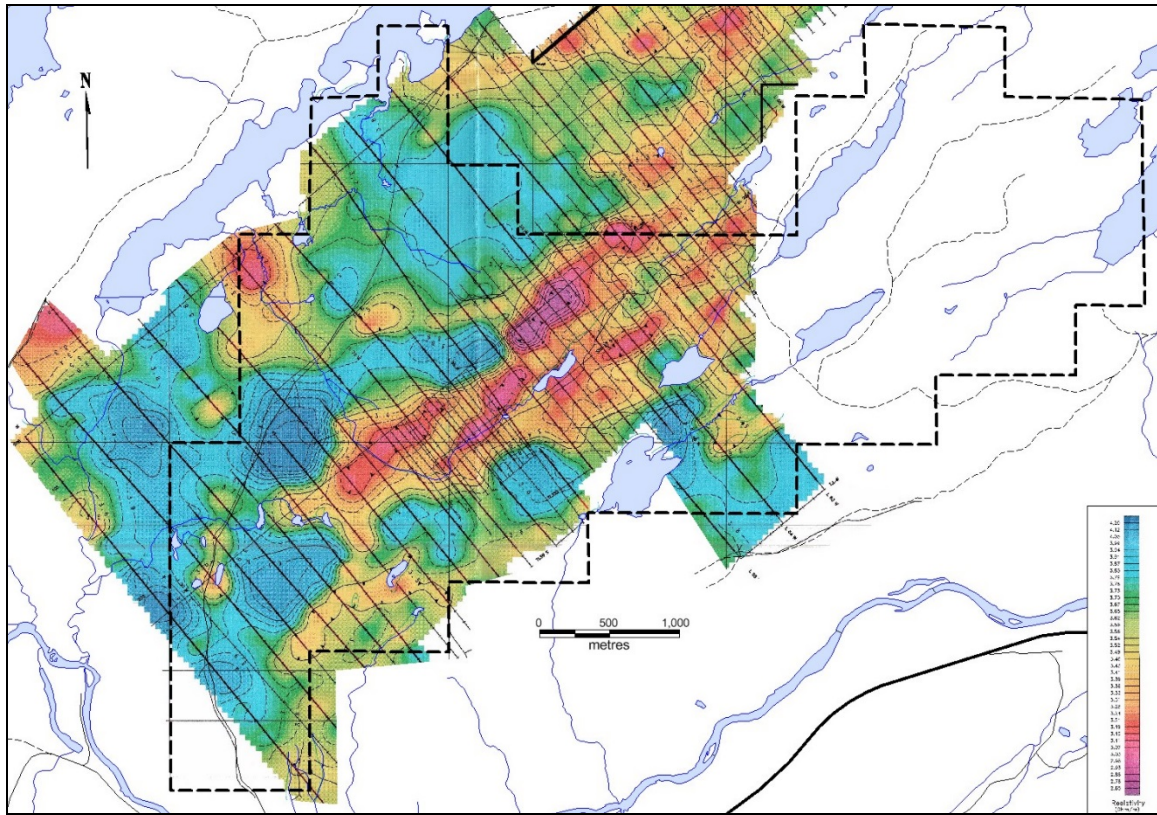


Figure 28: IP Resistivity Compilation (South Block)

From 1987 to 1998, Noranda and Major General completed several IP surveys, covering most of the Property area. In 1998 Rio Algom Exploration completed infill IP surveys over various portions of the Property. Rio Algom compiled these various surveys along with their results, completed a 2D inversion of the data, and presented the results into the following compilation plan maps (Figures 25-28).

North Block: The IP compilation shows several small chargeability anomalies in the North Block. The largest chargeability anomaly (L16E), situated at the northeastern extent of the grid, was found by drilling to be caused by a zone of argillite (iron formation) containing a high concentration of pyrrhotite, pyrite and magnetite with no base metal mineralization present. Two circular parallel chargeability anomalies, located on the King's Point Highway north of Golden Anchor are associated with a sulphide rich shear zone in an area containing sporadic gold-in-soil anomalies as yet untested by drilling. The Beetle Pond showing hosts a northwest trending anomaly coincident with base metals-in-soils extending into the adjacent property. The Golden Anchor prospect contains a weak chargeability anomaly.

In 2001, Hudson Bay Exploration completed a deep-seeking pole-dipole IP survey over the Beetle Pond showing. The survey detected near surface chargeability anomalies, however, failed to outline significant anomalies to depths below 200 metres. Subsequent 2002 surveys were completed over the Ursa Minor and Goldfish-Pisces occurrences with the same results.

Surveys over the Ursa Minor detected the known mineralization as coincident high chargeability and low resistivity and suggested the horizon remained open in both strike directions. Inversion of the data suggested no significant anomalies occur below depths already tested by drilling.

Although surveys over the Pisces occurrence failed to detect a significant anomalous response associated the narrow high-grade massive sulphide vein encountered in drilling, a persistent coincident chargeability high and resistivity low was detected over the Goldfish zone. The Goldfish occurrence anomaly extends and increases in intensity along strike towards the southwest in an area previously untested by drilling.

In 2011, D. Fraser completed 6 lines of IP, 1 line over the Beetle Pond showing (10100N), 2 lines over the Rendell-Jackman workings situated 25 metres apart (5000E + 5025E), 1 line over the Golden Anchor prospect (10600N), and 2 reconnaissance lines, one (4500N) along a forest service road (L16E) to test the response from the east to the west sides of the regional magnetic feature noted from the airborne magnetics survey and the second (5000N) situated on a large bog located on the same strong magnetic anomaly situated within the Western Arm Group of rocks. In 2013 six additional lines of IP were completed, two infill lines over the Golden Anchor prospect, one infill line over Beetle Pond, two lines at the Rendell-Jackman workings and one reconnaissance line through a bog located east of the Golden Anchor zone (Figure 29).

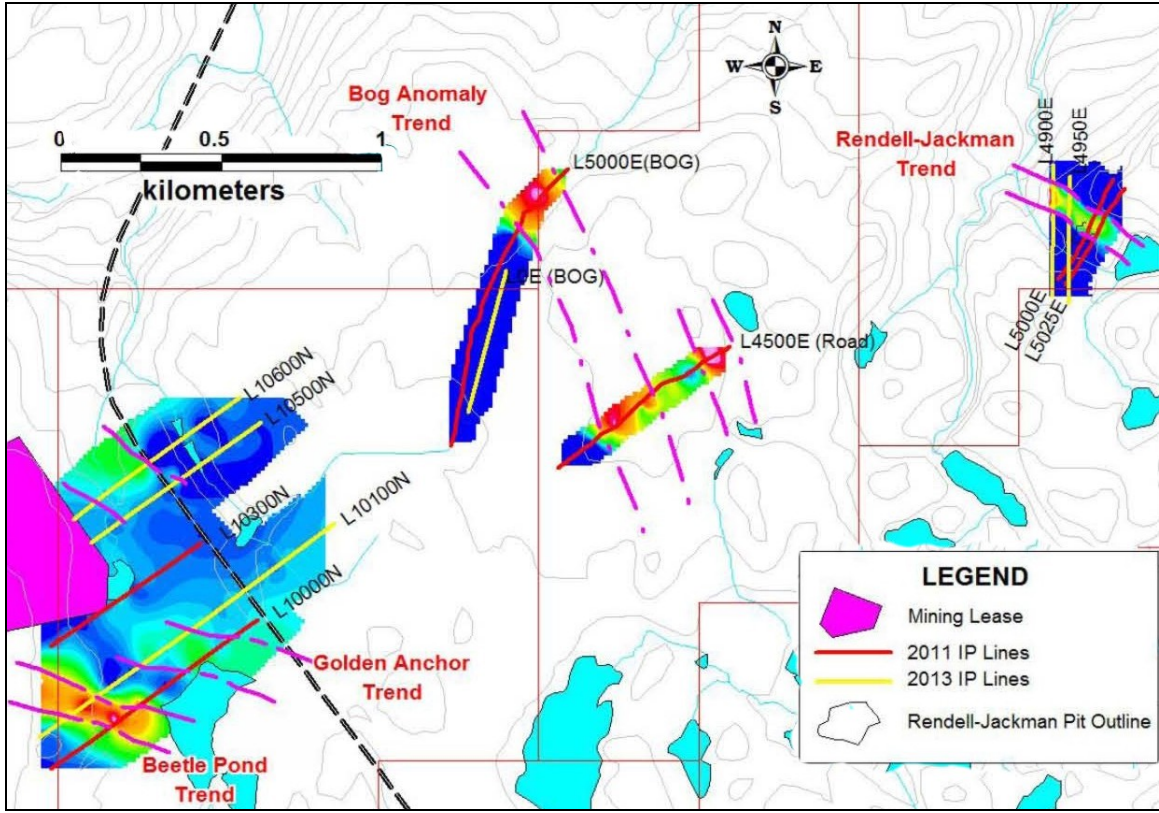
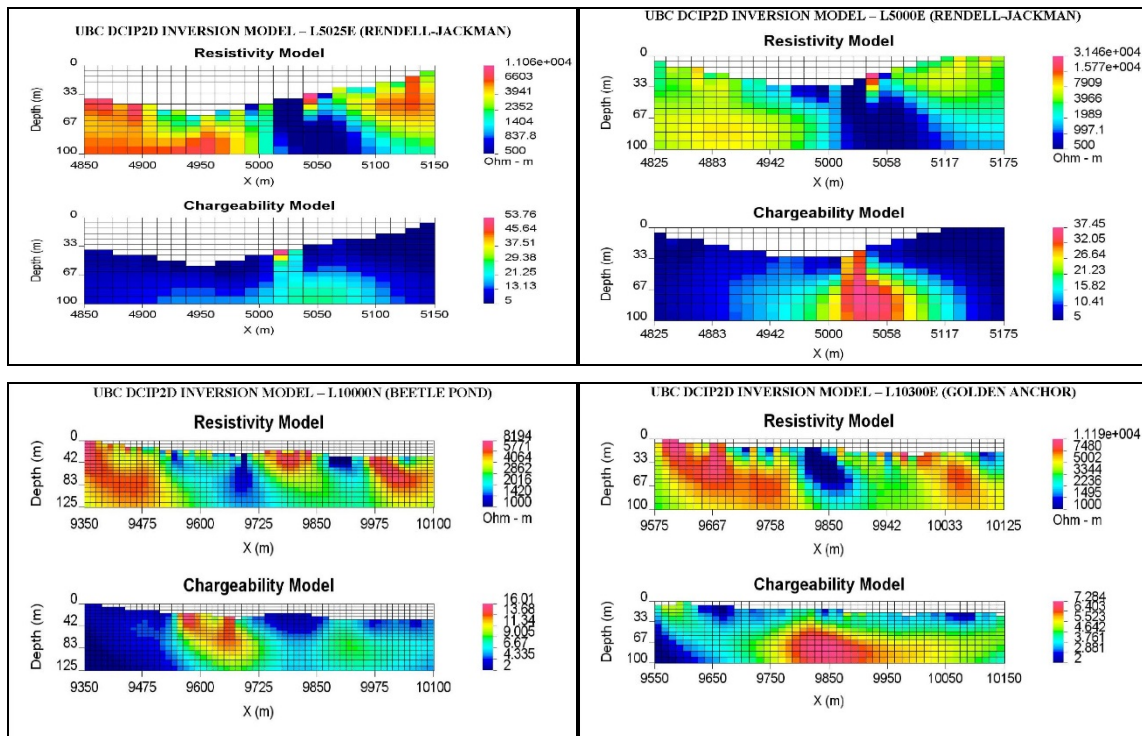


Figure 29: 2011 and 2013 IP Plan



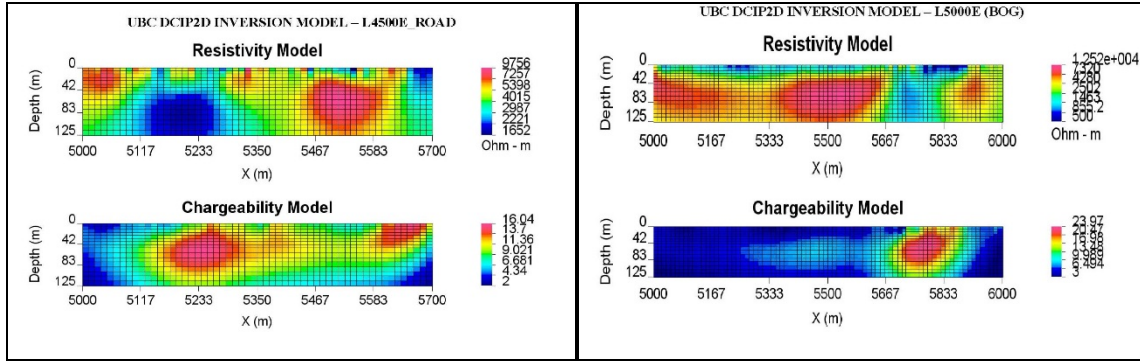


Figure 30: 2011 and 2013 IP Pseudosections (Inversions)

All historically reported IP chargeability anomalies in the North Block have been verified by more recent surveys. An easterly dipping moderately strong chargeability anomaly was defined over a 150 metre width on the Beetle Pond line. IP lines on the Rendell-Jackson clearly defined the subsurface mineralization and indicated a stronger broader response at depth.

The lines over the Golden Anchor prospect defined a moderate intensity chargeability anomaly coincident with gold-in-soils and magnetic anomalies.

Three narrow chargeability anomalies were defined on the reconnaissance line (L5400E) along the road and a broader chargeability anomaly on the second line (L5000E). These lines coincide with a chargeability anomaly (L16E) that was drill tested by four drillholes in 1967 by Brinex, intersecting a narrow (2-6 metres) zone of argillite (iron formation) containing a high concentration of pyrrhotite, pyrite and magnetite. No base metals were intersected.

Two lines (L5000E and L4950E) over the Rendell-Jackman workings, spaced 25 metres apart, were completed over the old mine workings. An anomaly was well defined by the survey (Figure 30) and inversions of the data suggest that the anomaly shows a broader response at depth (Fraser, 2013).

South Block: The South Block contains a highly chargeable and highly resistive northeast trending zone trending 4 kilometres over the property and extending northeast onto the adjacent property for an additional 2.5 kilometres (Southern Cross and Ursa Major occurrences). Four parallel trending smaller (to 2 kilometres long) anomalies occur to the southeast (Ursa Minor).

In 1996, Phelps Dodge completed IP surveys over soil geochemical anomalies delineated over the Pisces and Goldfish occurrences. Although it was reported that an extensive anomalous zone outlining pyritic zones within intermediate and felsic volcanic rocks was delineated, no location maps were included in the Assessment Report (012H/1601).

Qualifying Exploration by the Vendors (2013-2016)

Exploration activities on the Property were completed by the Vendors from 2007 to 2016, consisting of prospecting, rock and soil geochemistry, ground magnetics, and IP. Exploration activities, qualifying for exploration for the purpose of Inovent's Qualifying Transaction for listing on the exchange occur from 2013 to 2016. A total of \$134,967.68 of expenditures were completed on the Property between 2013 and 2016.

In 2013, the Vendors commissioned RDF Consulting Ltd. to complete a small ground geophysical survey consisting of 3.825 line-kilometres of pole-dipole IP resistivity and chargeability on six lines. One line was completed over the Beetle Pond showing, two lines were completed west of the Rendell-Jackman workings, two lines were completed across the Golden Anchor prospect, and one line was positioned across a magnetic anomaly mid-way between Rendell-Jackman and Golden Anchor. Results of the

survey are discussed above under the heading “Resistivity and Induced Polarization Surveys (IP)”. Prospecting was also completed, however, no samples were taken. MAG 3D inversion modeling of magnetic susceptibility was completed by the Vendors over historic airborne magnetic data completed by Hudson Bay in 2001. Results are discussed above under the heading “Magnetics”.

In 2014, the Vendors commissioned 7842384 Canada Inc. to complete a detailed interpretation of historic airborne EM surveys completed by Major General in 1995 and Hudson Bay in 2000. Results are discussed above under the heading “Electromagnetic (EM) Surveys”. A 6 day prospecting program was completed subsequent to the EM reinterpretation, however, interpreted geophysical lineaments and conductors could not be ascertained on the ground. A total of 152 soil samples were collected from the Beetle Pond, Golden Anchor, Rendell-Jackman, and Bog areas, coincident with IP lines, however, no analyses were completed due to budgetary constraints.

In 2015, the Vendors completed 15 line-kilometres of ground magnetics over the Beetle Pond, Golden Anchor, Rendell-Jackman, and reconnaissance targets. Results are discussed above under the heading “Magnetics” and illustrated on Figure 23. A prospecting program was completed concurrently with the magnetics. A total of 14 selective rock samples were collected, 7 from the Rendell-Jackman workings and 7 from reconnaissance targets located approximately 1 kilometre east of the Beetle Pond showing. Results from the reconnaissance targets contained elevated copper, whereas, the samples from Rendell-Jackman contained high grading copper and gold. Results from the Rendell-Jackman sampling are included on Table 4.

In 2016, the Vendors collected 98 soil samples over the Beetle Pond and Golden Anchor areas of the Property. Analytical results for gold were added to the historic database and are illustrated on Figure 17. A total of 4.1 line-kilometres of ground magnetics were completed as infill lines over the Golden Anchor and Beetle Pond areas. Results are discussed above under the heading “Magnetics” and illustrated on Figure 23. Four man-days were spent prospecting the westernmost portion of the South Block including the Ursa Minor and Southern Cross occurrences.

A summary of Qualifying Expenditures is listed on Table 5 below.

Year	Item	Expenditure
2013	Induced Polarization Survey	\$ 20,426.35
	Geophysical Interpretive Report	\$ 5,000.00
	3D Mag Inversion and Modeling - North Block	\$ 4,000.00
	3D Magnetic Inversion and modeling - South Block	\$ 3,500.00
	Data Compilation - South Block	\$ 6,000.00
	Prospecting Program – South Block	\$ 1,900.00
	Compilation and Assessment Report - North Block	\$ 5,000.00
	Assessment report - South Block	\$ 2,000.00
2014	Prospecting and Geochemical Program - North Block	\$ 7,650.00
	Airborne Electromagnetic Interpretation	\$ 6,500.00
	Data Compilation - South Block	\$ 5,000.00
	Data review, 3D Mag Inversion, modeling and interpretation	\$ 3,500.00
	Prospecting Program - South Block	\$ 2,490.00
	Assessment Report - North Block	\$ 1,000.00

Year	Item	Expenditure
	Assessment report - South Block	\$ 3,000.00
2015	Prospecting and Rock Sampling Program - North Block	\$ 7,500.00
	Ground Magnetic Survey and Report - North Block	\$ 6,050.00
	Assessment Report - North Block	\$ 3,000.00
2016	Soil Geochem, Magnetometer Survey and Prospecting Program	\$ 14,259.14
	Prospecting Program - South Block	\$ 5,730.13
	Assessment Report - North Block	\$ 1,000.00
	Assessment report - South Block	\$ 1,000.00
	NI43-101 Report - Report Writing and Property Visit	\$ 15,718.34
	3 Day Property visit and Analytical - Vendors	\$ 3,743.72
	Total Expenditures	\$ 134,967.68

Table 5: Summary of Qualifying Expenditures

Drilling

A total of 68 diamond drillholes have been drilled on the Property to date (Figure 31). A summary of drillholes is listed on Table 6.

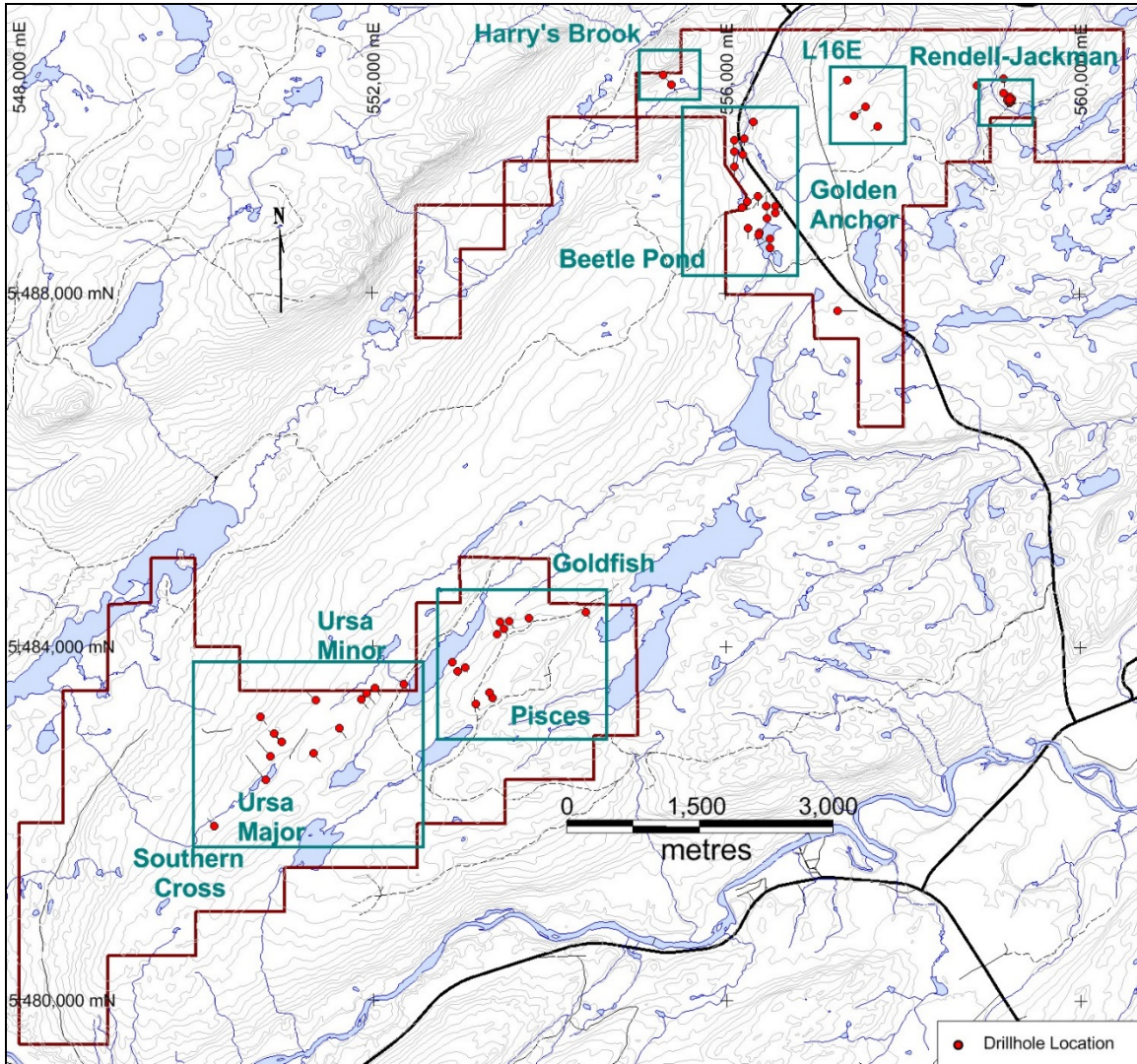


Figure 31: Drillhole Locations

Block	Showing	Year	HOLE ID	Azimuth	Dip	Length	East	North
North	Beetle Pond	1967	BP-67-1	260	-40	198	556505	5488624
North	Beetle Pond	1967	BP-67-2	225	-40	107	556384	5488688
North	Beetle Pond	1991	KP-91-1	140	-45	125	556501	5488523
North	Beetle Pond	1991	KP-91-2	140	-45	100	556379	5488664
North	Beetle Pond	1996	RJ-37	180	-45	155	556254	5488741

Block	Showing	Year	HOLE ID	Azimuth	Dip	Length	East	North
North	Golden Anchor	1993	RJ-11	50	-45	178	556191	5488974
North	Golden Anchor	1993	RJ-12	50	-45	120	556252	5489044
North	Golden Anchor	2001	GA-3	0	-50	220	556469	5488849
North	Golden Anchor	2001	GA-4	0	-50	194	556465	5488988
North	Golden Anchor	2001	GA-5	0	-50	166	556566	5488913
North	Golden Anchor	2001	GA-6	0	-50	157	556566	5488994
North	Golden Anchor	2001	GA-7	180	-50	230	556367	5489105
North	Golden Anchor	2001	GA-16	180	-45	201	556102	5489611
North	Golden Anchor	2001	GA-17	180	-45	120	556101	5489736
North	Golden Anchor	2001	GA-18	180	-45	108	556199	5489571
North	Golden Anchor	2001	GA-19	180	-45	151	556103	5489433
North	Golden Anchor	2001	GA-21	180	-45	107	556213	5489756
North	Golden Anchor	2001	GA-22	180	-45	168	556316	5489941
North	Harry's Brook	2001	HB-1	143	-50	187	555296	5490476
North	Harry's Brook	2001	HB-2	143	-45	166	555390	5490366
North	Rendell-Jackman	1939	R1	194	-60	124	559229	5490201
North	Rendell-Jackman	1939	R2	310	-53	118	559212	5490209
North	Rendell-Jackman	1939	R3	270	-48	123	559211	5490232
North	Rendell-Jackman	1939	R4	215	-80	137	559228	5490210
North	Rendell-Jackman	1939	R5	194	-56	96	559244	5490211
North	Rendell-Jackman	1955	K-1	0	-90	130	559208	5490171
North	Rendell-Jackman	1955	K-2	0	-90	125	559220	5490182
North	Rendell-Jackman	1955	K-3	0	-90	92	559209	5490175
North	Rendell-Jackman	1955	K-4	0	-90	30	559215	5490169
North	Rendell-Jackman	1955	K-5	0	-90	42	559224	5490178
North	Rendell-Jackman	1955	K-6	0	-90	102	559213	5490189
North	Rendell-Jackman	1955	K-7	0	-90	109	559228	5490192
North	Rendell-Jackman	1955	K-8	0	-90	102	559223	5490198
North	Rendell-Jackman	1955	K-9	0	-90	93	559231	5490185
North	Rendell-Jackman	1955	K-10	0	-90	92	559234	5490198
North	Rendell-Jackman	1990	RJ-90-1	140	-48	201	559144	5490437
North	Rendell-Jackman	1990	RJ-90-2	140	-46	198.4	558846	5490360
North	Rendell-Jackman	1990	RJ-90-7	190	-50	112.4	559148	5490275
North	L16E	1967	RJ-1-67	60	-45	123	557456	5490015

Block	Showing	Year	HOLE ID	Azimuth	Dip	Length	East	North
North	L16E	1967	RJ-2-67	240	-45	127	557590	5490115
North	L16E	1967	RJ-3-67	240	-45	137	557723	5489891
North	L16E	1967	RJ-4-67	240	-45	128	557383	5490417
North	Reconnaissance	1998	GB-98-4	90	-50	126	557262	5487810
South	Goldfish	1996	GF-1	152	-45	107	553550	5484287
South	Goldfish	1996	GF-2	152	-44	108	554417	5484396
South	Goldfish	1997	GF-4	152	-46	121	552905	5483822
South	Goldfish	1997	GF-8	152	-45	107	553768	5484328
South	Goldfish	1997	GF-9	152	-45	106	553485	5484202
South	Goldfish	1997	GF-10	152	-43.5	146	553442	5484278
South	Goldfish	1997	GF-11	152	-43	62	553408	5484145
South	Goldfish	1997	GF-13	152	-45	87	552961	5483721
South	Goldfish	1997	GF-14	332	-46	257	553047	5483763
South	Pisces	1996	GF-3	152	-45	100	553354	5483421
South	Pisces	1997	GF-5	152	-44	182	553319	5483486
South	Pisces	1997	GF-12	152	-44	126	553168	5483350
South	Ursa Major	1996	SP-2	320	-48	174	551358	5483394
South	Ursa Major	1996	SP-3	140	-48	180	550735	5483203
South	Ursa Major	1996	SP-4	320	-46	257	550970	5482918
South	Ursa Major	1996	SP-5	320	-48	203	550891	5483014
South	Ursa Major	1996	SP-12	320	-45	224	550848	5482754
South	Ursa Minor	1996	SP-1	140	-45	201	551872	5483398
South	Ursa Minor	1996	SP-7	140	-46	178	551938	5483473
South	Ursa Minor	1996	SP-8	140	-47	154	552027	5483528
South	Ursa Minor	1996	SP-9	140	-47	200	551624	5483074
South	Ursa Minor	1996	SP-10	140	-47	173	551330	5482793
South	Ursa	1996	SP-6	320	-48	186	550789	5482487
South	Southern Cross	1996	SP-11	320	-47	177	550208	5481962
South	Reconnaissance	1997	GF-7	152	-46	94	552356	5483573

Table 6: Drillhole Listing

Beetle Pond

Drilling in the Beetle Pond showing focused on a Zn+Pb+Ag-in-soils and a high chargeability / low resistivity anomaly that trends to the northwest near an unconformable contact between the older Long Pond Formation mafics and the upper Silver Pond Formation felsic volcanics.

In 1967, Cominco tested IP chargeability anomalies with 2 drillholes (BP-67-1 + 2) intersecting a succession of strongly sericitized and silicified fragmental rhyolites, tuffs, and quartz-feldspar porphyries and a small interval of andesites. One drillhole (BP-67-1) intersected a 6.7 metre zone grading 0.14% copper. The drillholes were re-logged by Noranda in 1990. A previously unsampled interval returned an average grade of 1.0% zinc over 2.0 metres, however, the large zinc-in-soil geochemical anomaly remains unexplained.

In 1991, Noranda drill tested 2 chargeability anomalies in the immediate vicinity of a previously discovered gold-bearing quartz boulder. Drillhole KP-91-1 intersected a 20 metre wide zone of semi-massive to stringer sulphide zone grading 2.56% Zn, 0.48% Pb, and 8.4 ppm Ag over 1.0 metre interval as well as 1.8 g/t Au and 46.7 g/t Ag over 1.0 metre in a stringer sulphide zone. Drillhole KP-911-2 was strongly anomalous in base metals, the best assay being 1.56% Zn and 0.85% Pb over 1.0 metre. Both drillholes failed to drill through the felsic package.

It was noted that the alteration signature within the felsics demonstrated a strong resemblance to that of the Lochinvar base metal zone on the Major General property and indicated a strong potential for ore grade massive sulphide to depth (Sparks, K, 1991).

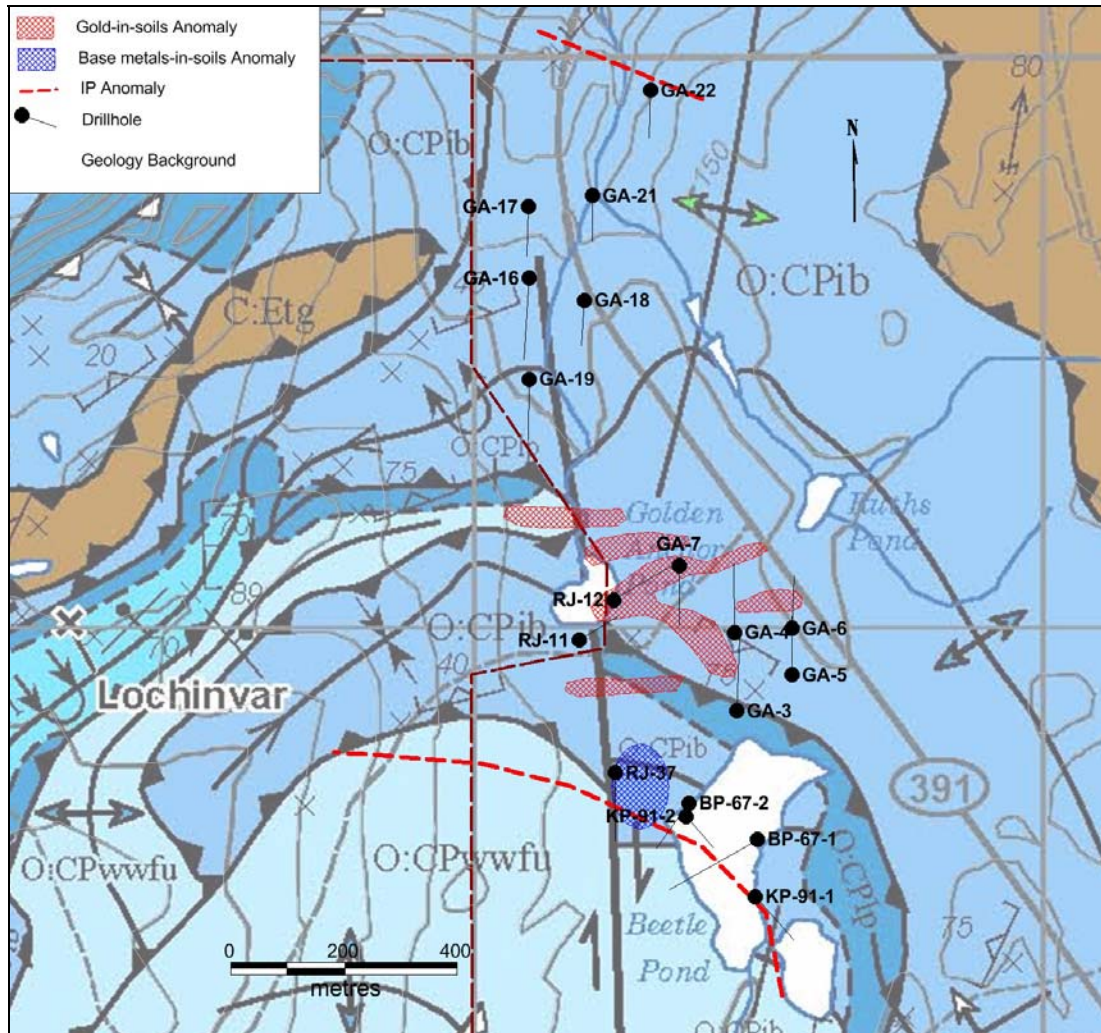
In 1996, Major General drilled one hole (RJ96-37), testing coincident base metal-in-soils and IP chargeability anomalies. A short interval of mineralization in pumice-bearing felsic lapilli tuff was intersected grading 2.1% Zn, 0.8% Cu, and 4.7 g/t Ag over 0.4 metres.

In 1998, Rio Algom drilled one drillhole (GB98-4) to test a relatively weak IP chargeability anomaly situated approximately 800 metres southeast of Beetle Pond. Drilling intersected a sequence of basalts locally intruded by micro-gabbro sills. No sulphides were encountered.

A summary of notable intersections follows on Table 7.

Year	Drillhole	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Pb (%)
1967	BP-67-1	3.66			0.22	0.07	
1991	KP-91-1	1.00		7.5		2.56	0.48
	and	1.00	1.8	46.7			
1991	KP-91-2	1.00				1.56	0.85
1996	RJ-37	0.40			0.80	2.10	

Table 7: Beetle Pond Summary of Notable Intersections



O:CPwwf1	Lower felsic volcanic member: Mainly fine-grained felsic pyroclastic strata forming the most widespread unit of felsic volcanic rocks in the Catchers Pond Group;
O:CPip	Long Pond Formation Mainly mafic extrusive and intermediate pyroclastic strata;
O:CPib	Indian Brook Formation Mainly pillowed basalt, pillow breccia, interflow chert and subvolcanic intrusions;
CAMBRIAN TO EARLY ORDOVICIAN?	
C:E WESTERN ARM GROUP?	
C:Ecb	Maroon and red, hematitic, ribboned chert; dark green, siliceous, parallel-laminated argillite;
C:Eat	Banded argillite, ferruginous chert and mafic crystal tuff in subcrop and drill core;
C:Ebi	Massive flows of light grey plagioclase-porphyrific basalt;
C:Etg	Highly magnetic tholeiitic basalt and tholeiitic gabbro sills

Figure 32: Beetle Pond and Golden Anchor Drill Locations (Geology Background after O'Brien, B.H., 2012)

Golden Anchor

The Golden Anchor prospect consists of high gold-in-soils geochemical anomalies underlain by the Indian Brook Formation of rocks. The area is situated on the eastern limb of a regional fold.

In 1993, Major General drill-tested a 500 metre long gold-in soil anomaly. Two drillholes were drilled, intersecting a sequence of feldspar-phyric mafic volcanics and minor tuffs. Drillhole RJ-93-11 intersected a 10 metre wide shear zone containing only trace amounts of pyrite and background values for gold. Drillhole RJ-93-12 intersected three gold intersections grading 1.86 g/t Au over 2 metres, 0.06 g/t Au over 3.9 metres and 0.06 g/t Au over 1.6 metres. The first drillhole was documented to have stopped short of the mineralized horizon (Mullen, D, 1993).

In 1994, Major General drilled 5 holes in the area between the Beetle Pond showing and the Golden Anchor prospect (GA3-7). The drillholes tested coincident gold-in-soils, IP chargeability and VLF-EM anomalies. Drilling encountered a series of shallow, north to northeast dipping mafic to quartz-phyric felsic volcanics and tuffs intruded by quartz-feldspar porphyry dykes similar to the nearby Lochinvar Base Metal deposit located 1 kilometre to the west. Narrow quartz-pyrite veins carrying anomalous gold values were associated with the porphyry dykes. After interpretation by Commander (formerly, Major General) it was found that four of the drillholes (GA3-GA6) were drilled down dip to strike due to the broad anticlinal fold feature of the geology in the immediate area (Mullen, 1994). Narrow intervals of gold mineralization were intersected by the aforementioned drillholes including (GA-3) 0.09 g/t Au and 23 g/t Ag over 0.3 metres, (GA-4) 2.2 g/t Au and 0.5 g/t Ag over 0.55 metres, (GA-5) 0.14 g/t Au and 0.5 g/t Ag over 0.3 metres, and (GA-6) 1.23 g/t Au and 0.5 g/t Ag over 0.3 metres. GA-7, drilled 180° to the remaining drillholes, intersected a 0.3 metre interval grading 1.71 g/t Au and a 0.5 metre interval averaging 0.15 g/t Au.

In 2001, Commander (formerly, Major General) drilled 6 drillholes in fence patterns 400 metres north of their previous 1994 drilling in the Golden Anchor prospect (GA17-22). Drilling intersected mostly massive to pillowed mafic volcanics/schist with some variably magnetic, banded, possibly tuffaceous units, ash to lapilli tuffs, and thin chert magnetite iron formation beds, and various hornblende-pyroxene-feldspar-phyric dykes. Sulphide mineralization occurred as fine to coarse granular pyrite with minor chalcopyrite and galena in quartz veins, finely disseminated pyrite within shear zones and adjacent to quartz veining, stringers and veins of mostly pyrite and minor pyrrhotite with trace chalcopyrite, and semi-massive to massive 0.5-35 centimetre pyrite-calcite veins. Gold was intersected in GA-16:0.78 g/t Au over 0.3 metres, GA-17:0.21 g/t Au over 0.4 metres, GA-18:0.01 g/t Au over 0.8 metres, GA-21:0.31 g/t Au over 0.3 metres, and GA-22: 0.1 g/t Au over 0.6 metres. A summary of notable intersections follows on Table 8.

Year	Drillhole	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Pb (%)
1993	RJ-12	2.00	1.86	1.9	0.02	0.02	0.21
2001	GA-4	0.55	2.19	0.5	<0.01	<0.01	<0.01
	and	0.30	1.26	5.1	<0.01	<0.01	<0.01
2001	GA-6	0.30	1.23	0.5	0.01	0.02	0.05
2001	GA-7	0.30	1.71	0.5	0.01	0.01	0.01
2001	GA-16	0.30	0.78	7.5	0.00	0.01	0.00

Table 8: Golden Anchor Summary of Notable Intersections

Line 16E Anomaly

In 1967, Brinex completed a drill program of four drillholes (RJ-1 to 4) totaling 506 metres targeting an IP/magnetic anomaly (L16E) situated approximately 1.7 kilometres west of the Rendell-Jackman workings. Drilling intersected mainly fragmental and tuffaceous andesites cut by narrow intermediate to basic dykes hosting a narrow (2-6 metres) zone of argillite (iron formation) containing a high concentration of pyrrhotite, pyrite and magnetite. No base metals were intersected.

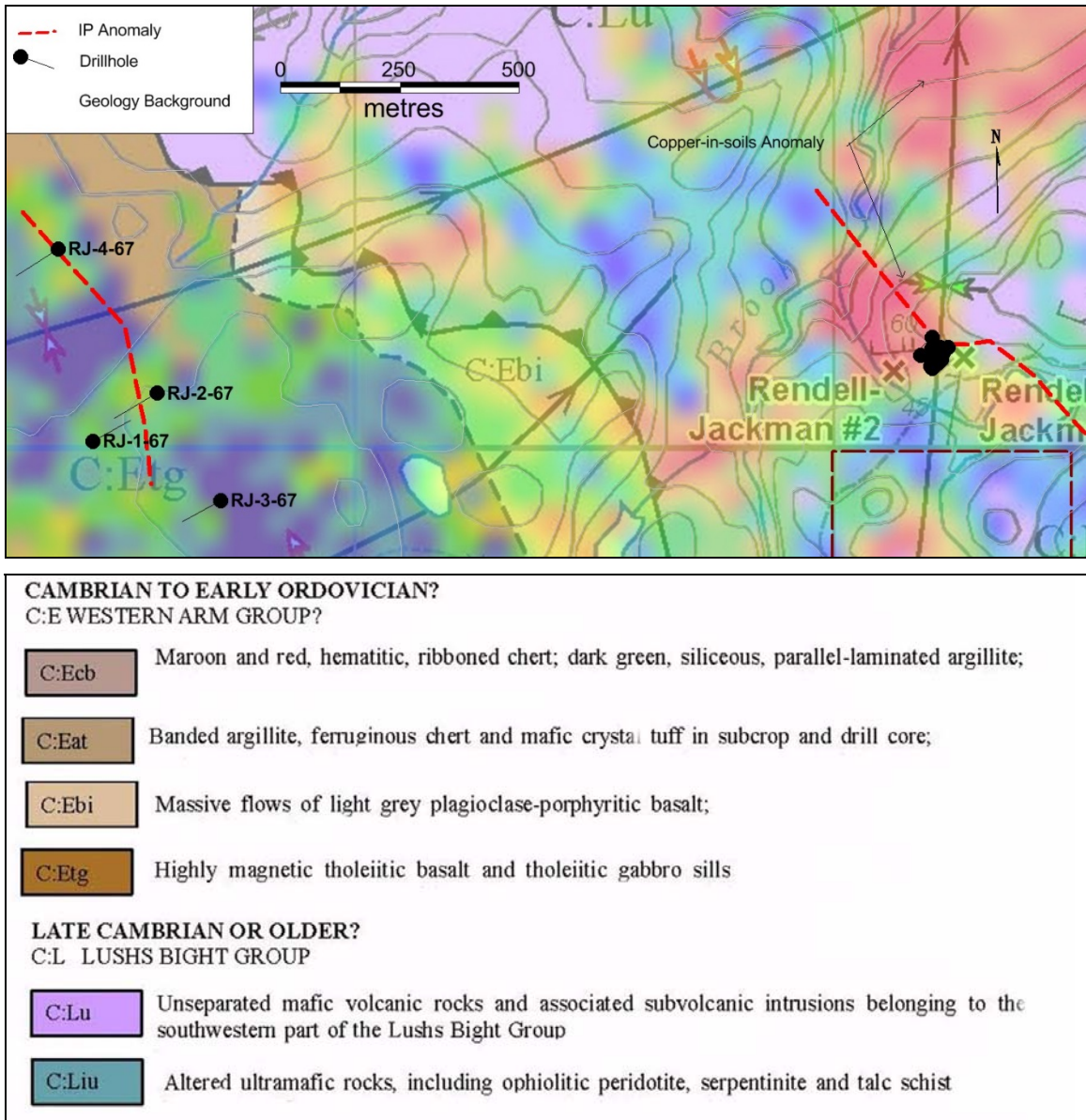


Figure 33: L16E Drill Locations (Geology Background after O'Brien, B.H., 2012)

Rendell-Jackman

The Rendell-Jackman deposit, hosted in sheared mafic volcanic rocks of the Lushs Bight Group, was initially mined through 3 shafts extending over a strike length of 40 metres connected by a crosscut. The

shafts were excavated to a depth of #1 - 18.2 metres, #2 and #3 - 36.6 metres. Although IP geophysical surveys traced an anomaly extending 1 kilometre to the northwest and southeast of the deposit, all subsequent drill testing of mineralization focused on the immediate mine workings area over a 60 metre strike length.

In 1939, the Geological Survey of Newfoundland completed 596 metres drilling in 5 holes to test the prospect. Nineteen samples were assayed for a total length of 18.5 metres averaging 0.72% Cu and 0.94 g/t Au. The best gold and copper values were from drillholes R1 and R4.

In 1955, a total of 929.6 metres of drilling in 10 short vertically dipping holes was completed by Kontiki Lead and Zinc Mines Ltd in the immediate vicinity of the Rendell-Jackson area. Three drillholes intersected significant mineralization including K2- 2.4% Cu over 4.6 metres, K3- 1.41% Cu and 1.56 g/t Au over 1.8 metres, and K8- 1.46% Cu over 1.8 metres.

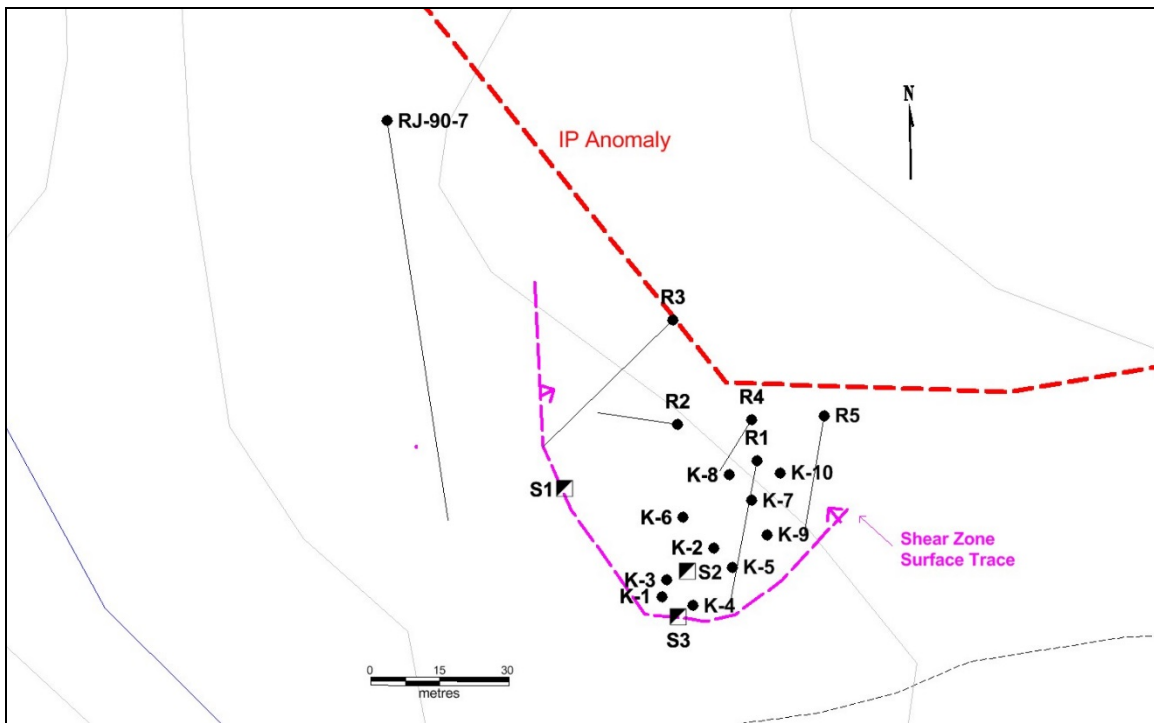


Figure 34: Rendell-Jackman Drillhole Locations

In 1990, Noranda drilled seven holes in the Rendell-Jackman area of the property outside of the old mine workings, three situated within the King's Point Property (RJ-90-1, RJ-90-2, and RJ-90-7). All three drillholes intersected weak Cu-Zn-Pb mineralization, however, drillhole RJ-90-7 intersected a 0.9 metre interval grading 1.57 g/t Au, 0.7 g/t Ag, and 0.67% Cu.

Three main rock types were recognized; pillowed andesite, aphanitic massive andesite, and massive phaneritic andesite or diorite with minor diabase dykes. Sulphide mineralization in two lenses situated within a shear zone were mined over a strike length of 180 metres. The shear zone can perhaps be better regarded as a fold structure rather than two intersecting shear zones as initially thought. The west limb of the fold dips 45° east and the east limb dips 75° north (Unknown Cominco author, 1959). A summary of notable intersections follows on Table 9.

Year	Drillhole	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
1939	R1	0.61			1.60	
	and	0.91	4.46		2.39	
	and	2.10	1.67			
1939	R4	0.61			1.21	
	and	0.61			4.65	
	and	1.80	1.97			
1990	RJ-90-7	0.90	1.57	0.7	0.67	0.009

Table 9: Rendell-Jackman Summary of Notable Intersections

Harry's Brook

In 2001, Hudson Bay Exploration drilled 2 holes in the Harry's Brook area, targeting base metal-in-soil and weak IP chargeability anomalies. Both drillholes intersected minor amounts of disseminated to fracture controlled sulphides including minor chalcopyrite within Indian Brook Formation mafic volcanics in the vicinity of Silurian-aged Harry's Lake gabbroic intrusives. The anomalies were explained as being caused by the sulphides observed in drilling. The best interval assayed graded 0.24% Cu over 0.3 metres.

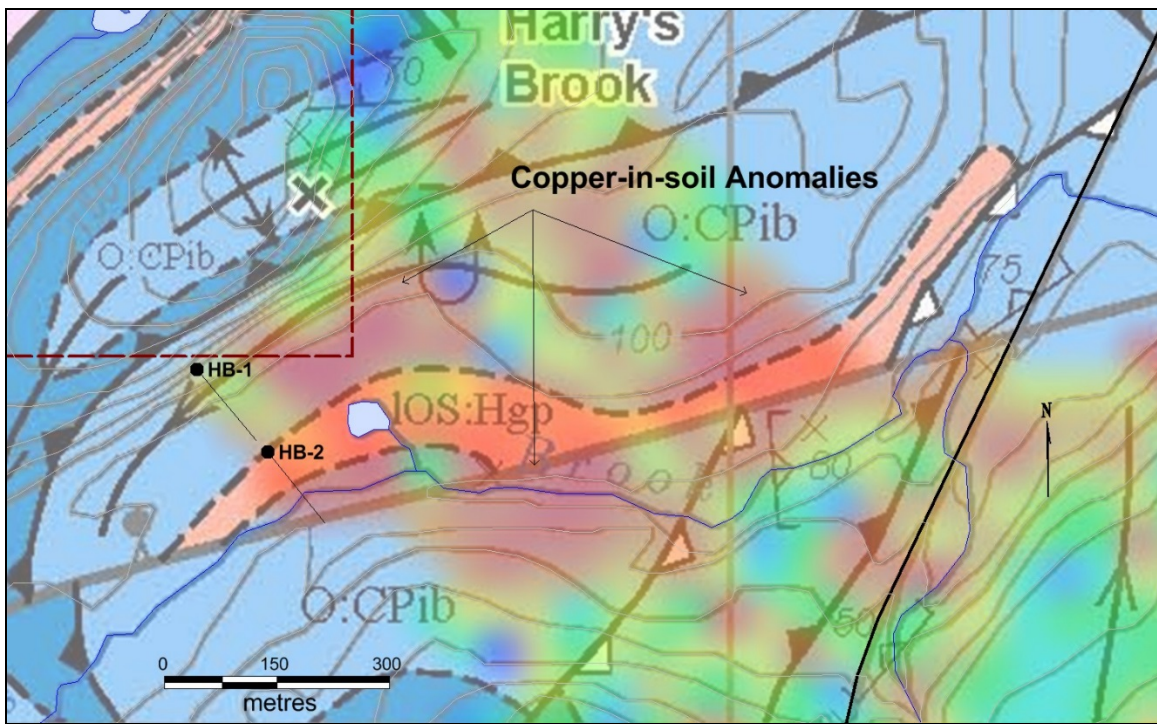


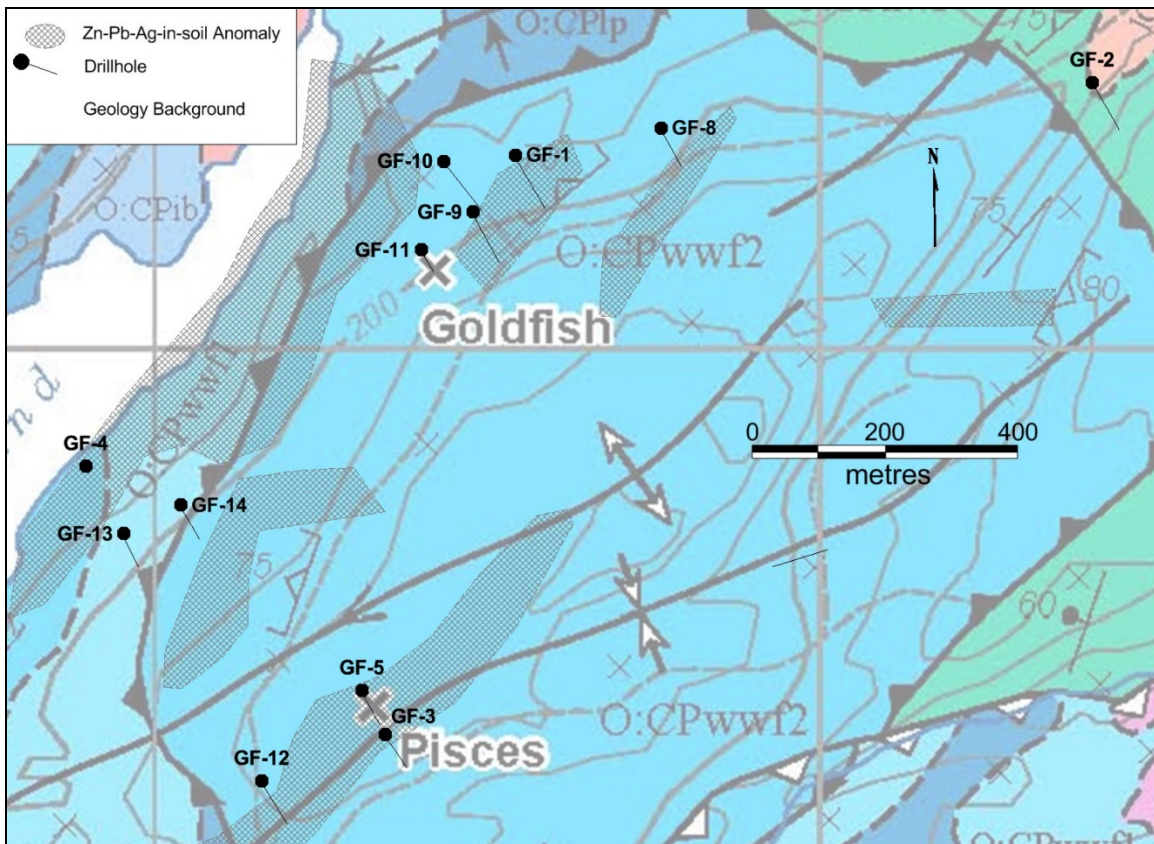
Figure 35: Harry's Brook Drill Locations (Geology Background after O'Brien, B.H., 2012)

Reconnaissance

In 1993, Major General drill-tested a 300 metre long chargeability anomaly discovered by Noranda, located at the edge of the Property approximately 500 metres southwest of Beetle Pond. One drillhole was drilled intersecting a short section of semi-massive and broader zones of disseminated pyrite mineralization in cherty tuffs associated with felsic volcanoclastic rocks. No base metal mineralization was noted.

Goldfish and Pisces

Between 1996 and 1997, Phelps Dodge drilled 13 holes (GF-1 to 13), testing soil geochemical, IP chargeability, and gravity anomalies.



O:CPwwfu	<i>Unseparated felsic volcanic strata:</i> Mainly thin-bedded chloritic lithic tuff, fine-grained quartz-feldspar crystal tuff, subordinate silicified volcanic breccia, and pyritic gossan;
O:CPwwf2	<i>Upper rhyolite and mudstone member:</i> Mainly rhyolite flows, rhyolite breccias and volcanic-derived sedimentary rocks; at the base of the member, a coherent rhyolite lens showing synvolcanic folds of flow layering crosscut by marginally banded or massive dykes of quartz-feldspar porphyry;
O:CPwwm2	<i>Upper pillowed basalt member:</i> Mainly a very localized but notably thick sequence of basalt and andesite; throughout most of the member, vesicular basalt flows having abundant matrix-disseminated carbonate and vein carbonate;
O:CPwwm1	<i>Lower mafic volcanic member:</i> Mainly mafic volcanic flows and mafic intrusions; at the base of the member, spectacular intervals of dark grey pillow lava having variolitic glassy rims, radial structure and interstitial green chert;
O:CPwwf1	<i>Lower felsic volcanic member:</i> Mainly fine-grained felsic pyroclastic strata forming the most widespread unit of felsic volcanic rocks in the Catchers Pond Group;
O:CPlp	Long Pond Formation Mainly mafic extrusive and intermediate pyroclastic strata;
O:CPib	Indian Brook Formation Mainly pillowed basalt, pillow breccia, interflow chert and subvolcanic intrusions;

Figure 36: Goldfish and Pisces Drill Locations (Geology Background after O'Brien, B.H., 2012)

Goldfish Area: Drillhole GF-1, drilled to test coincident zinc-in-soil and IP chargeability anomalies, intersected silicified-pyritic rhyolite breccia containing a 10.5 metre interval grading 0.17% Zn, 0.11% Pb, 0.01% Cu, 20.8 ppm Ag, and 0.07 g/t Au. Drillhole GF-9, situated 100 metres west of GF-1 and targeting the best base metal soil geochemical anomaly, intersected a 0.65 metre thick section of coarse grained massive sulphide grading 1.36% Zn, 0.69% Pb, 0.06% Cu, 164.5 g/t Ag and 0.95 g/t Au. The sulphide zone occurred at the contact between un-mineralized bedded felsic pyroclastics and underlying altered and mineralized rhyolite and rhyolite breccias containing low grade stringer mineralization (termed "Favourable horizon").

Drillhole GF-10, collared to undercut the massive sulphide Favourable horizon intersected in drillhole GF-9, intersected only a few centimetre-scale sulphide seams containing 10-15% pyrite at the favourable horizon grading 0.47% Zn, 0.23% Pb, 37.6 ppm Ag and 0.31 g/t Au. Drillhole GF-11, drilled 100 metres westward along strike from GF-9, failed to intersect massive sulphides at the favourable horizon.

A summary of notable intersections follows on Table 10.

Year	Drillhole	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Pb (%)
1996	GF-1	10.50	0.08	20.8	0.010	0.175	0.111
1996	GF-2	5.22	0.06	6.1	0.009	0.488	0.221
1997	GF-10	0.10	0.31	37.6		0.470	0.230
1997	GF-4	0.50				0.032	
1997	GF-8	0.60				0.970	
1997	GF-9	0.65	0.95	164.5	0.060	1.360	0.690

Table 10: Goldfish Summary of Notable Intersections

Pisces Area: Drillhole GF-3, testing a coincident IP chargeability and soil geochemical anomaly, intersected massive, siliceous rhyolites with pyritic veinlets hosting a 13 centimetre wide massive sulphide

vein grading 12.9% Zn, 8.5% Pb, 1.02% Cu, 53.8 ppm Ag, and 0.1 g/t Au. Drillhole GF-5 was collared north of GF-3 to provide geometry of mineralization. A 13 centimetre massive Zn-Pb-Cu intercept was intersected grading 2.75% Zn, 1.62% Pb, and 0.37% Cu over 0.63 metres. GF-12, testing a soil geochemical anomaly 200 west of GF3+5, intersected massive felsic lithologies similar to that encountered in GF3+5 containing minor sulphide veinlets containing traces of sphalerite and galena grading 0.24% Zn over 3.7 metres.

Other areas

Drillhole GF-8, situated 225 metres east of the Goldfish occurrence, intersected brecciated, altered rhyolite containing minor but widespread stringer sulphide mineralization. The best intersection graded 0.97% Zn over 0.6 metres.

Drillhole GF-4, situated 500 metres north of the Pisces area and 1000 metres west of the Goldfish occurrence and targeting a 1 kilometre long gravity anomaly extending west of drillhole GF-1, intersected massive mafic intrusives and basaltic pillow lavas hosted within interbedded felsic pyroclastics and volcanoclastics. Traces of sphalerite occur with disseminated pyrite in quartz veinlets with the most significant intersection grading 319 ppm Zn over 0.5 metres.

GF-13 was drilled to test the theory that GF-4 bottomed in stratigraphy situated immediately above the massive sulphide noted in GF-9. Local seams of 5-10% disseminated pyrite were intersected in pyroclastics, however, the rhyolite was occupied by 4 metres of barren diabase dyke.

Situated 100 metres east of an outcrop north of Goldfish Pond that graded 1.7 g/t Au from a grab sample, GF-7 targeted coincident soil geochemical and IP anomalies. A quartz-chlorite-specularite vein within felsic volcanics containing 1% pyrite was intersected with only traces of base metal mineralization.

GF-2, situated 900 metres east of the Goldfish occurrence, was drilled to test coincident IP and soil geochemical anomalies. Drilling intersected variably pyritized (disseminated, stringers, and veinlets) felsic volcanics with a 5.2 metre interval grading 0.49% Zn, 0.22% Pb, 0.009% Cu, 6.1 ppm Ag, and 56 ppb Au.

In 2002, Anglo American Exploration drilled one hole (GF-14) situated near Phelps Dodge drillhole GF13 to test a deep penetrating IP anomaly completed earlier in the season. The drillhole failed to intersect base metal sulphides and the anomaly was explained by a sequence of graphitic argillaceous sediments intercalated among a series of basaltic sills.

A summary of notable intersections follows on Table 11.

Year	Drillhole	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Pb (%)
1996	GF-3	0.13	0.107	53.8	1.02	12.9	8.5
1997	GF-12	3.70				0.24	
1997	GF-5	0.63			0.37	2.75	1.6

Table 11: Pisces Summary of Notable Intersections

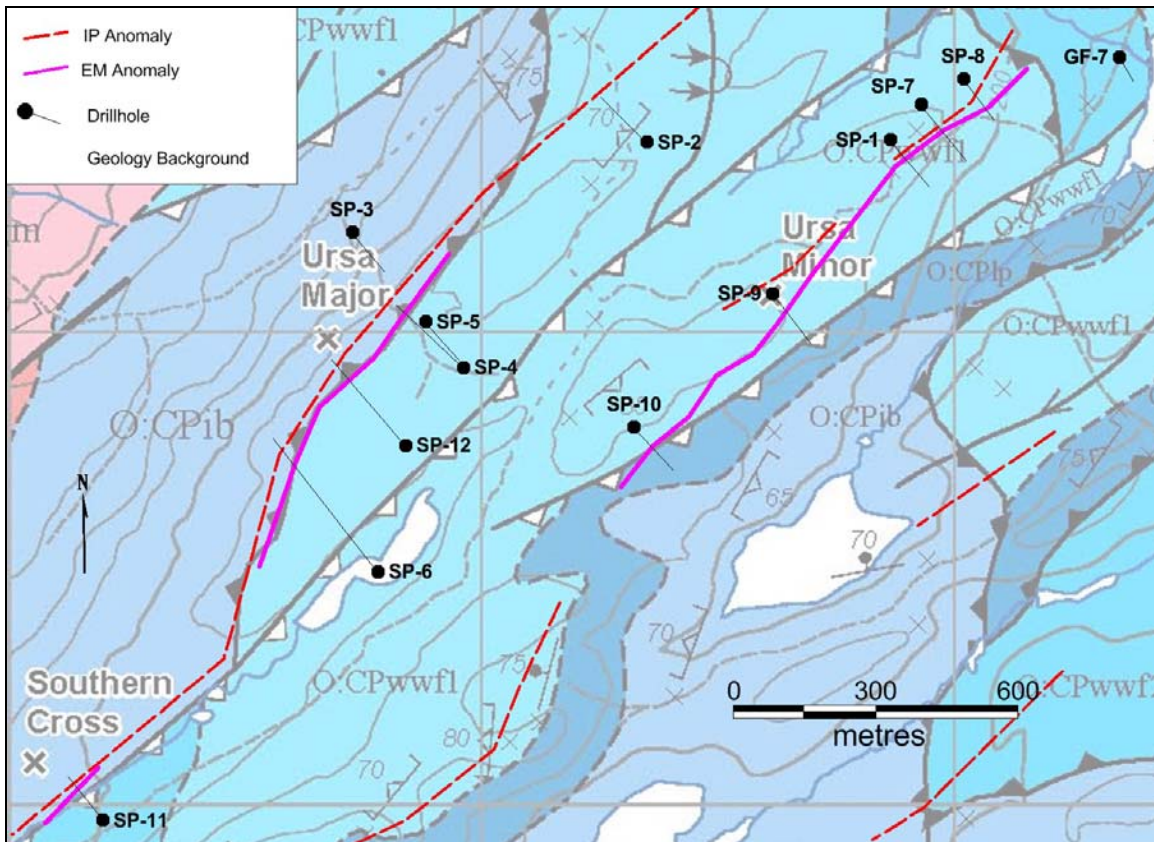
Ursa

In 1996, Major General drilled 12 holes, testing coincident base metal soil and IP anomalies. Three zones of base and precious metal mineralization were intersected, Ursa Minor, Ursa Major and Ursa Major West (Southern Cross).

At Ursa Minor, 5 drillholes (SP-1 and SP-7 to 10) targeted a 1,200 metre long EM anomaly coincident with discontinuous IP anomalies near the contact between Long Pond Formation mafic rocks and felsic pyroclastic rocks of the Silver Pond Formation.

Ag⁺/-Au-rich stringer pyrite in massive rhyolite and semi-massive to disseminated Zn-Pb⁺/-Ag mineralization in highly sericitized felsic tuffs were intersected over a strike length of approximately 1 kilometre. The stringer mineralization consisted of numerous narrow (<1cm) pyrite-tennantite⁺/-barite veins over a strike length of 200 metres grading 0.23 g/t Au and 25 g/t Ag over 30.8 metres.

Zn-Pb⁺/-Ag mineralization occurred in two subparallel bands of variable widths separated by 20-40 metres of felsic tuff. The northern band graded; (SP-1) 1.7% Zn and 0.6% Pb over 2.8 metres; (SP-7) 3.8% Zn, 1.2% Pb, 11.3 g/t Ag over 0.6 metres; (SP-8) 0.51% Zn and 13.6 g/t Ag over 8 metres; and (SP-9) 1.1% Zn over 13.45 metres.



O:CPwwfu	<i>Unseparated felsic volcanic strata:</i> Mainly thin-bedded chloritic lithic tuff, fine-grained quartz-feldspar crystal tuff, subordinate silicified volcanic breccia, and pyritic gossan;
O:CPwwf2	<i>Upper rhyolite and mudstone member:</i> Mainly rhyolite flows, rhyolite breccias and volcanic-derived sedimentary rocks; at the base of the member, a coherent rhyolite flow showing synvolcanic folds of flow layering crosscut by marginally banded or massive dykes of quartz-feldspar porphyry;
O:CPwwm2	<i>Upper pillowed basalt member:</i> Mainly a very localized but notably thick sequence of basalt and andesite; throughout most of the member, vesicular basalt flows having abundant matrix-disseminated carbonate and vein carbonate;
O:CPwwm1	<i>Lower mafic volcanic member:</i> Mainly mafic volcanic flows and mafic intrusions; at the base of the member, spectacular intervals of dark grey pillow lava having variolitic glassy rims, radial structure and interstitial green chert;
O:CPwwf1	<i>Lower felsic volcanic member:</i> Mainly fine-grained felsic pyroclastic strata forming the most widespread unit of felsic volcanic rocks in the Catchers Pond Group;
O:CPlp	Long Pond Formation Mainly mafic extrusive and intermediate pyroclastic strata;
O:CPib	Indian Brook Formation Mainly pillowed basalt, pillow breccia, interflow chert and subvolcanic intrusions;

Figure 37: Ursa and Southern Cross Drill Locations (Geology Background after O'Brien, B.H., 2012)

Five holes were drilled at Ursa Major testing coincident magnetic, IP chargeability, GEOTEM[®] EM, and base metals-in-soils anomalies at the contact between Indian Brook Formation mafic rocks and younger felsic pyroclastics of the Silver Pond Formation. Three holes (SP-3 to 5) were drilled as a fence across a wide IP body, one drillhole (SP-12) was drilled 200 metres to the west, and one drillhole (SP-2) was collared 600 metres to the east.

The three-hole fence intersected strongly magnetic mafic volcanics intercalated with hydrothermally altered dacite tuffs and a band of chert-magnetite-pyrite iron formation. Drillhole SP-2 intersected mafic volcanics intercalated with disseminated pyritic mafic to felsic tuffs grading 0.13% Cu over a 27.6 metre interval.

Drillhole SP-11, drilled 1.2 kilometres southwest of Ursa Major (Southern Cross occurrence) and targeting coincident IP and EM anomalies, intersected a 0.3 metre thick massive pyrite-chalcopyrite zone grading 3.7% Cu within a zone grading 0.26% Cu and 0.02% Mo over 10 metres. Mineralization was hosted by andesitic fragmentals cut by numerous siliceous dacite sills.

Drillhole SP-6, located 800 metres to the northeast, intersected similar rocks to those at Ursa Major with the best interval grading 0.2% Cu over 4 metres.

A summary of notable intersections follows on Table 12.

Area	Year	Drillhole	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Pb (%)
Ursa Major	1996	SP-2	27.6			0.13		
Ursa Major	1996	SP-3	1.4				0.1	
Ursa Major	1996	SP-4	0.3			0.27		
Ursa Major	1996	SP-5	7.0			0.33		
Ursa Minor	1996	SP-1	2.8				1.7	0.6
Ursa Minor	1996	SP-7	0.6		11.3		3.8	1.2
Ursa Minor	1996	and	31.0	0.23	25.0			

Ursa Minor	1996	SP-8	5.0	9.7	1.0	0.6
Ursa Minor	1996	SP-9	13.45		1.1	
Ursa Minor	1996	SP-10	6.0		0.48	
Ursa	1996	SP-6	4.0		0.20	
Southern Cross	1996	SP-11	0.3		3.70	

Table 12: Ursa Summary of Notable Intersections

Sample Preparation, Analyses and Security

Soil sampling has been completed for over 5 decades of exploration on the Property by various operators and contractors. Historically, soil sampling programs were the initial exploration tool (often combined with ground magnetics and VLF-EM) to assess an area of the property for more advanced exploration including drilling. Standard methods for soil sample collection typically involve extracting a 500 gram sample of subsoil from the “B” horizon, a coloured subsurface horizon formed below nutrient-rich soils and generally found approximately 30 centimetres below surface. Samples are placed into paper bags and sent directly to the laboratory for analyses without any preparation. Analytical techniques have improved over the years, most notably with lower detection thresholds for gold. For the purposes of the Technical Report the historic values for copper and gold-in-soils were combined into a single database and presented for illustration purposes only.

Rock samples presented in the Technical Report were selectively collected by either the Vendors or the author of the Technical Report. Float samples are rocks collected from the subsurface believed to be close to their point of origin whereas grab samples are rocks chipped from outcrop, generally containing some sulphide mineralization. Rocks and soils taken by the Vendors and the author of the Technical Report were placed directly into plastic or paper bags with a denoting sample tag, sealed by straps, and delivered directly to the laboratory. All sources that may produce contamination including jewellery were removed prior to sampling. No sample preparation was conducted prior to delivery to the laboratory for analyses. Samples were hand delivered to Eastern Analytical in Springdale, Newfoundland. Eastern Analytical is a private ISO 17025 certified laboratory that has been in operation since 1987. There is no relationship between the issuer and the laboratory.

Sample preparation at the laboratory consisted of crushing and grinding samples to 80% -10 mesh and splitting a 250 gram pulp which is then pulverized to 95% 150 mesh. Analyses was completed by the traditional geochemistry method of aqua-regia digestion with atomic absorption finish for a 36-element suite of elements and fire assay for gold. The laboratory conducts QAQC (quality assurance, quality control) protocols on a regular ongoing basis that include analyzing introduced standards (samples with known amounts of gold and base metals) in each run of samples, analyzing duplicate samples to ascertain repeatability of results, and introducing blanks (samples containing no known gold or base metals) to determine contamination. All results were within acceptable thresholds.

It was the conclusion author of the Technical Report that the sample preparation, security, and analytical procedures for the limited rock and soil sampling presented in the Technical Report was adequate for this phase of exploration.

The entire Property has been covered by airborne magnetics and TDEM surveys, generally adequate for delineating near surface conductors. Geophysical surveys including IP and EM have been the best tools for detecting VMS deposits on the Property. Because of the evolution and advancement of geophysical equipment and data management, recent surveys more clearly delineate and define targets for drilling.

Diamond drilling to date has been at a reconnaissance scale, following up on geophysical and geochemical targets for the most part and there still remain targets that are untested. All historic sulphide-mineralized drill intersections from all holes were sampled and analyzed. Due to the wide

density of drilling, extrapolations were made regarding the dip of mineralization and as such, all anomalous drill intersections reported in Section 10 are down-hole intersections and no attempt has been made to correct for true thickness.

Data Verification

The author of the Technical Report visited the North Block of the property from August 29 to 30, 2016, accompanied by the Property owner and Vendors' representative, D. Fraser. The reclaimed Hammerdown minesite was visited and a sample from the waste dump was collected for comparison purposes (Figure 42). Five sites on the Property were visited and rock samples were collected for analyses (Figure 38).

1) A 0.7 metre wide quartz vein hosted in sheared chloritic mudstone was examined in the northwestern part of the Property north of the Hammerdown deposit.

2) A road cut located approximately 2 kilometres east of the aforementioned quartz vein hosted rusty, silicified, foliated (260° strike, 75° dip) metasediments containing 10% pyrite and 4% chalcopyrite in grab sample. This road cut coincides with a northwest trending IP anomaly never tested by drilling.

3) Narrow (1-4 centimetres), sheeted, vertically dipping white quartz and carbonate veins with zeolites (+/- pyrite) were noted in a quarry situated near the King's Point highway at the south of the North Block. One 10 metre long 30 centimetre wide pyrite + chalcopyrite + malachite bearing quartz vein (60° strike, 70° S dip) was noted on the south wall of the quarry. 4) Massive banded iron formation rocks outcropped approximately 1.5 kilometres north of the quarry in an area of high magnetic relief.

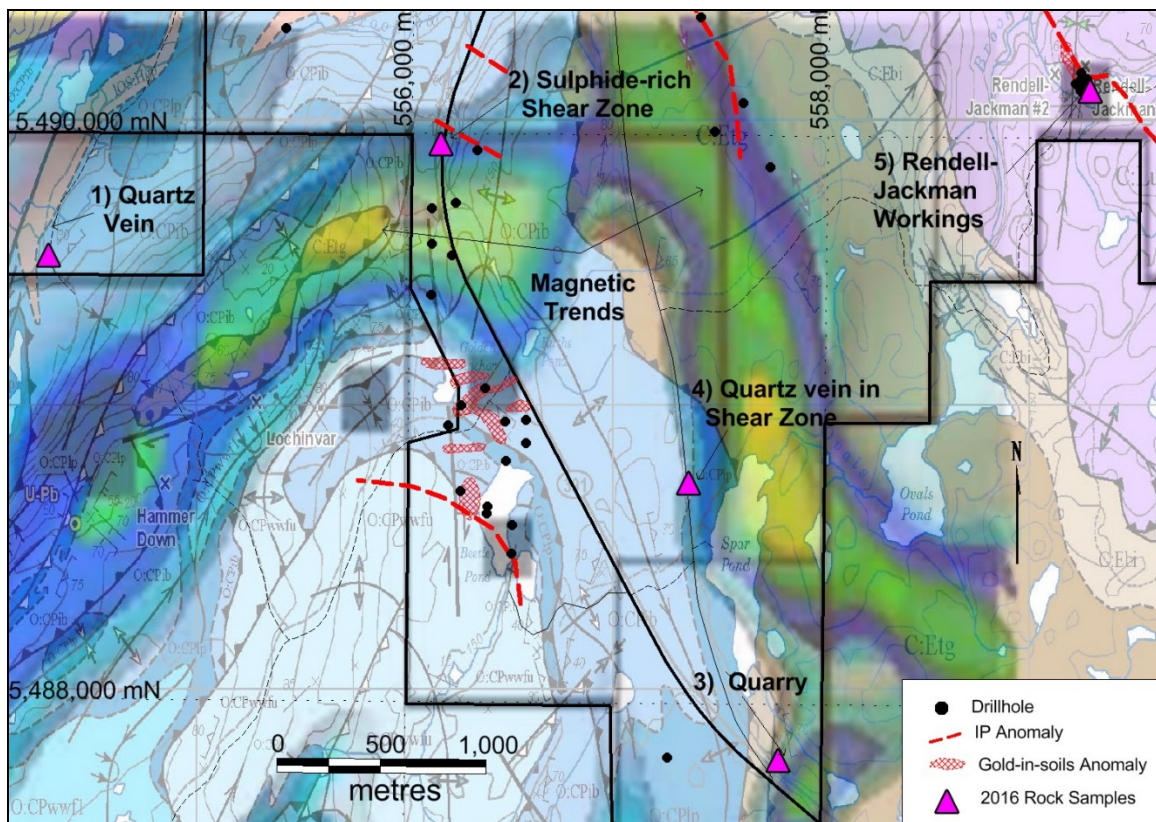


Figure 38: 2016 Property Visit. Geology and Magnetics Background

5) The Rendell-Jackman mine workings was visited on the northeastern portion of the Property. Massive and stringer sulphides in mafic rocks were ubiquitous over the reclaimed area. A shear zone in outcrop was sampled hosting string veins (4 centimetres wide) containing pyrite and chalcopyrite. Float samples of milky white quartz veins containing clots of pyrite and chalcopyrite were noted cross-cutting sulphide rich basalts suggesting they post-dated sulphide mineralization, however, quartz breccia was noted in massive sulphides contradicting that assumption suggesting multiple phases of quartz mineralization.

A total of 7 scattered sulphide-rich samples (110121 to 110127)

from the reclaimed Rendell-Jackman minesite (#4) were collected by the author of the Technical Report for analyses. A sample (110128) was taken from a previously unsampled quartz vein in outcrop (#1) that visually resembled ore from the Hammerdown mine situated approximately 1 kilometre to the south. A sample (110129) was taken from a quartz vein in the quarry area (#3). Sample descriptions and analytical results follows on Table 13. Samples were analyzed by Eastern Analytical Ltd of Springdale, Newfoundland. Multi-element aqua regia ICP was completed on all samples and overlimits (> 10,000 ppm Cu and >2,200 ppm Zn) were re-analyzed by fire assay.



Figure 39: Current Reclaimed Area of Rendell-Jackman Workings Site

Area	Sample #	Type	Description	Au (g/t)	Cu (%)	Zn (%)
5	110121	Outcrop	Py+cpy stringer veins in sheared basalt.	0.44	11.200	0.195
5	110122	Float	8 cm quartz vein +py-cpy x-cutting sulphide rich basalt.	8.05	0.988	0.055
5	110123	Float	Massive banded py-cpy.	2.02	1.770	0.550
5	110124	Float	Massive py and 30% cpy in clots in rusty basalt.	1.79	11.200	0.115
5	110125	Float	Banded py with white quartz inclusions (bx) to 4 cm.	5.55	0.088	0.690
5	110126	Float	Banded massive py and minor cpy with frothy, vuggy quartz	0.89	0.093	0.012
5	110127	Float	Banded py in argillite.	5.48	0.099	0.036
1	110128	Outcrop	Smokey grey quartz with coarse disseminated py+cpy.	0.11	0.384	0.006
3	110129	Outcrop	White quartz with clotted pyrite and chalcopyrite.	0.16	0.095	0.001

Table 13: 2016 Rock Sample Descriptions

Samples from the selective rock sampling in the Rendell-Jackman area graded comparable copper and gold values to those previously reported, verifying previous reports of high grade copper present in the area of the old workings. Sampling of quartz veins outside of prospective areas all graded below 0.2 g/t Au.

Attempts were made to visit the Department of Natural Resources' core storage facility at Springdale, Newfoundland, however, no government representative was available to allow access. It was revealed that the 1939 Department of Natural Resources core from the Rendell-Jackman deposit had been

destroyed. Other core, left unattended and piled in the back of a lot at Eastern Analytical in Springdale, Newfoundland, is in various states of fitness.



Figure 40: Core Storage Facility at Eastern Analytical, Springdale, Newfoundland

Although some assessment reports submitted to the Newfoundland and Labrador Department of Natural Resources contained insufficient data to ascertain locations of their activities, the majority of the reports were adequately detailed to allow the author of the Technical Report to present the results in the Technical Report with a high degree of certainty as to location and results. It is the opinion of the author of the Technical Report that all of the data presented in the Technical Report is factual and accurate and is adequate for the purposes of reporting in this document.

Adjacent Properties

The author of the Technical Report was not able to identify the resource and mineralization from the adjacent property and, therefore, it should not necessarily be considered indicative of mineralization found or potentially hosted by the King's Point Property. It is disclosed only to demonstrate the size and grade potential for similar mineralization on the King's Point Property.

Maritime currently holds 100% of the 51.7 square kilometre Green Bay Property separating the North and South Blocks of the King's Point Property (Figure 41). The property is host to 4 gold deposits (Hammerdown, Rumbullion, Orion, and Lochinvar) contained within a 4 kilometre long deformation/strain zone locally called the Hammerdown Deformation Zone.

GREEN BAY PROPERTY, Newfoundland

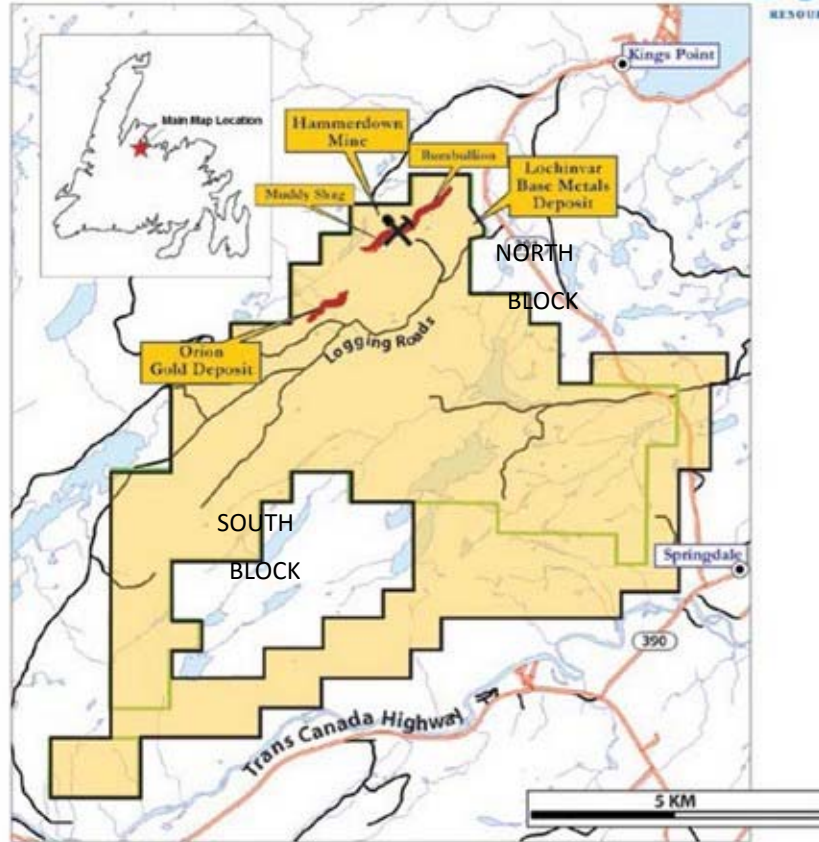


Figure 41: Green Bay Property Location (Maritime Resources Corp. website www.maritimeresourcescorp.com)



Figure 42. Typical Ore Sample from the Hammerdown Mine.

Gold mineralization at the Hammerdown Gold Deposit is contained within a series of sub-vertical sulphide-rich quartz and quartz-carbonate veins (Andrews and Huard, 1991). The deposit contains ten main gold-bearing veins, up to 1 metre wide; the wall-rock is engulfed with numerous cm-scale mineralized veins. The main gold-bearing quartz veins have strongly sheared margins and are deformed

internally to varying degrees. The best mineralization and gold veins occur in quartz veins spatially associated with a fine- to medium-grained, quartz- feldspar-chlorite porphyritic felsic dyke which intrudes primarily along the contact between sheared mafic volcanics and mafic sediments. Smaller veins occur in both the mafic volcanics and sediments (Andrews, 1989).



Figure 43: 2016 Photo of the Surface Workings of the Hammerdown Mine

The stacked shear-hosted pyritic quartz veins are situated within a 250 metre long section of an 1,800 metre long shear zone in the northern portion of the Hammerdown deformation zone (Figure 43). Its eastern boundary is the Rumbullion Fault, a northeasterly trending fault, to the east of which is the Rumbullion gold zone which hosts several narrow, high grade gold vein zones. To the west, the Hammerdown vein system pinches out approximately 75 metres to the southwest of a strong flexure in the shear zone which rotates the shear from east-west at Hammerdown to southwesterly. This south-west trending shear extends for several hundred metres and hosts the Muddy Shag gold zone containing two or three gold veins.

At depth, the entire shear zone, including most gold zones, are cut off by the extensive Captain Nemo Fault, which is a north dipping, normal fault with some strike slip movement. Geological interpretation indicates downdrop of the Hammerdown area to be several hundred metres. As the Captain Nemo Fault cuts through the Hammerdown shear at an oblique angle, veins are cut off at depths varying from 150 to 250 metres.

The neighbouring Hammerdown gold deposit was successfully mined by Richmond between 2000 and 2004 at which time gold prices averaged \$325/oz. During its operation, a total of 291,400 tonnes of ore were mined and milled, at an average grade of 15.83 g/t gold, recovering a total of 143,000 ounces of gold. The mine is a near-surface, multiple vein deposit which was mined underground using cut-and-fill methods from ramp access. All of the ore was processed at the Nugget Pond mill, now owned and operated by Rambler Metals Ltd ("Rambler"), with an average gold recovery of 97.1%. Mining terminated in 2004 due to low gold prices with mineralization remaining, although uneconomic at that time.

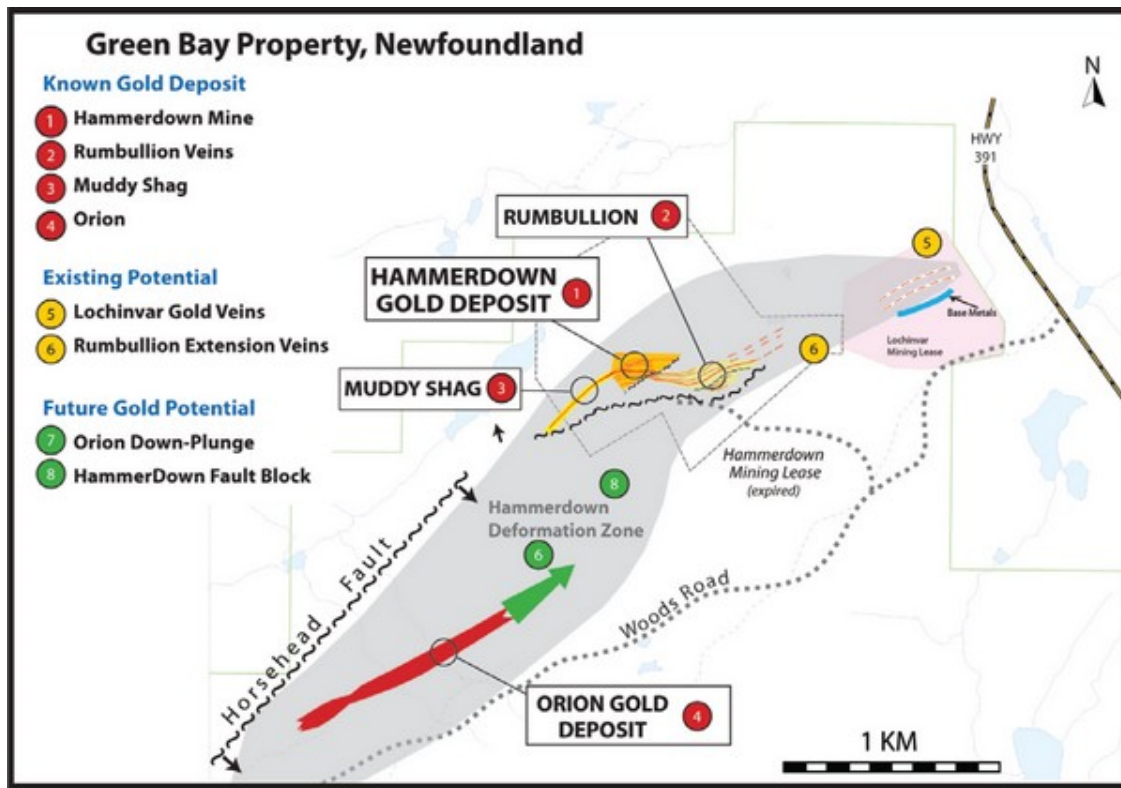


Figure 44: Hammerdown Deformation Zone (from Maritime Resources Corp. website)

Rambler and Maritime signed a Strategic Alliance in 2011, followed by Rambler purchasing 4.5 Million shares in February 2012 to hold 17% equity stake in Maritime.

An Independent NI43-101 compliant Mineral Resource Estimate for all of the gold deposits along the Hammerdown trend was released in 2013. The study estimates the deposits to contain in excess of 400,000 ounces of gold in the Measured and Indicated category and in excess of 600,000 ounces in the Inferred category, both at a 3 g/t cut-off grade (McCracken et al, 2013). The estimate was compiled by Tetra Tech of Ontario and is filed on SEDAR at URL:

(<http://www.sedar.com/GetFile.do?lang=EN&docClass=24&issuerNo=00026876&issuerType=03&projectNo=02083969&docId=3367045>).

The Lochinvar (Zn, Cu, Ag) base metal deposit, situated approximately 300 metres west of the Golden Anchor prospect, currently has a mining lease issued to Maritime. The zone, characterized by its high-grade nature, contains at least two sub-cropping, steeply dipping lenses of massive sulphides grading to a maximum of 18% combined Cu-Zn (Moore, P. et al, 2002). The mineralization is cut off by a northeast trending fault near the boundary with the King's Point Property. Several gold bearing veins were encountered while the Lochinvar base metal deposit was being defined containing high grade gold intervals in two of these veins.

The Batter's Brook zone, located 2 kilometres north of the Goldfish occurrence, is a narrow (typically 0.3 metres thick) stratabound volcanogenic massive sulphide deposit occurring within a 1.5 kilometre long felsic volcanic horizon (Moore, P. et al, 2002). The zone remains open at depth and in both strike directions.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing has been completed historically or by Inovent on any samples taken from the Property.

Mineral Resource and Mineral Reserve Estimates

There are no current or historic mineral resource estimates completed on any area encompassed by the Property.

Other Relevant Data and Information

There are no other relevant data and available information pertaining to the Property known to the Company or the author of the Technical Report not already included in the Technical Report.

Interpretation and Conclusions

The claims are currently in good standing with the Mining Recorders Office of the Newfoundland Department of Natural Resources and free of liens or encumbrances. At the date of the Technical Report neither the Company nor the author of the Technical Report is aware of any significant environmental, political or First Nations risks or uncertainties related to the security of the Property or the ability to conduct future exploration activities on the Property.

The geological mapping and structural controls for the King's Point Property have been systematically compiled over the last 30 years. The most recent compilation was completed by the Geological Survey division of the Newfoundland and Labrador Department of Natural Resources in 2012.

The Property hosts large tracts of early Ordovician-aged Catchers Pond Group island-arc volcanics known to host both VMS and Mesothermal gold systems. Indications from geochemical surveys, geophysical surveys, and diamond drilling from historic exploration activities advocate both VMS and Mesothermal shear-hosted systems may occur on the property.

Although drilling and sampling procedures, sample preparation, and assay protocols conducted by previous operators are generally conducted in agreement with best practices at the time, they may not meet current standards. In the case of soil geochemistry and many of the geophysical surveys including airborne magnetics, often the surveys overlapped or were repeated by newer, more technologically superior techniques. In each of these cases, no deviation from the initial results were noted. No additional foreseeable risks or uncertainties could be reasonably expected regarding the historic exploration information.

The Property is currently at an intermediate stage of exploration. Significant exploration historically completed on the King's Point Property resulted in the discovery of ten prospective areas including the Rendell-Jackman (Cu, Au), Golden Anchor (Au), Golden Anchor North (Au), Beetle Pond (Pb, Zn, Ag), and North Zone (Cu, Pb) in the North Block and the Goldfish (Pb, Zn, Ag), Pisces (Pb, Zn, Ag), Ursa Major (Pb, Zn, Ag), Ursa Minor (Pb, Zn, Ag), and Southern Cross (Pb, Zn, Ag) areas in the South Block.

Although each of the abovementioned areas are prospective for VMS or Mesothermal gold-style mineralization, they have been tested by only limited diamond drilling programs and no economically viable deposits of base metal or gold mineralization has been found to date.

North Block:

Previous drilling at the Rendell-Jackman workings, all completed before 1955, targeted the old workings in an area approximately 60 metres along strike of the mineralized shear zone. Subsequent IP surveys identified coincident EM, chargeability, and soil geochemical anomalies extending approximately 1,200

metres to the northwest and southeast of the workings that has had only limited drill testing generally targeting the immediate area of the old workings. As well, all historic drilling tested relatively shallow targets, the deepest drillhole extending to 137 metres depth.

A 600 metre wide area (North Zone), situated approximately 650 metres north of the Rendell-Jackman workings, is geochemically anomalous in base metals-in-soils. No follow-up work has been completed on the anomaly.

The Golden Anchor prospect lies within 300 metres of the neighbouring Lochinvar base metal deposit. A 300 metre long gold-in-soils anomaly, extending for 200 metres westward off the Property, has been tested by seven drillholes. This soil geochemical anomaly is considered similar in size and magnitude to that delineated over the Hammerdown deposit (Mullin, 1994). Four of the drillholes were reported to be drilled down-dip of the geological trend (Mullen, 1994) and should be discounted as adequately testing for subsurface mineralization. Two of the drillholes were drilled oblique and to the west of the gold-in-soils anomaly, one of which (RJ-93-12) intersected three gold intervals; the most significant intersection grading 1.86 g/t Au over 2 metres. The final drillhole (GA-7) intersected a 0.30 metre interval grading 1.71 g/t Au and a 0.50 metre interval averaging 0.15 g/t Au. No subsequent drill testing was completed on the gold-in-soils anomaly, which is currently open to the southeast.

Additional drilling (6 drillholes) was completed approximately 400 metres to the north of the Golden Anchor soils anomaly, targeting a potential northeast extension of the Lochinvar deposit as defined by IP chargeability. Narrow auriferous intervals (0.3 to 0.8 metre) were intersected from all the drillholes grading from 0.01 to 0.78 g/t Au. These drillholes are situated south of a scattered weakly anomalous gold-in-soils anomaly (Golden Anchor North) extending 600 metre northward in an area of coincident magnetic and moderate IP chargeability anomalies that has never been drill tested.

The Beetle Pond showing, located just south of the Golden Anchor prospect, occurs as a large base metal geochemical anomaly measuring in excess of 1.5 kilometers. Limited shallow drilling intersected highly chloritized felsic volcanics containing disseminated and small massive sulphide mineralization hosting intersections of anomalous zinc, silver, copper, lead, and gold. A comment by an Anglo American geologist stated, "Further consideration should also be given to deep exploration in the vicinity of Beetle Pond (+300 metres) as this area is host to widespread, visually impressive, alteration and disseminated sulphide mineralization potentially associated with a significant, deeply buried, massive sulphide deposit." (Moore & Mullen, 2002).

A sharp break in the geology and magnetics, likely related to a northeast trending fault, located 150 metres west of the Beetle Pond showing, appears to have cut off mineralization from the Lochinvar base metal deposit and also to have displaced the geology on the Beetle Pond side to the south, with an unknown vertical displacement. This suggests a possible analogue between the younger Lochinvar base metal zone situated geologically above the Hammerdown gold deposit on the west side of the fault, and the younger Beetle Pond base metal showing and underlying Golden Anchor gold prospect on the east side of the fault.

The source of angular float discovered near Beetle Pond grading 1.5, 3.0 and 9.9 g/t Au has never been ascertained.

South Block:

All of the showings in the South Block are defined mainly by geophysical programs including magnetics, EM, and IP. Soil geochemistry in the area is weakly anomalous in base metals in linear northeast trending zones coincident with these geophysical targets. Gold-in-soils is weak, sparse and scattered.

Each of the anomalies have been drill tested intersecting generally narrow seams/bands of stringer and semi-massive sulphide mineralization. Examples include the Pisces drilling grading (GF-3) 12.9% Zn, 8.5% Pb, 1.02% Cu, 54 g/t Ag and 0.11 g/t Au over 0.13 m and the Goldfish drilling including (GF-9) 1.36% Zn, 0.69% Pb, 0.06% Cu, 164.5 g/t Ag and 0.95 g/t Au over 0.65 m. At the Ursa Minor

occurrence, however, a broader zone was intersected (SP-9) grading 0.23 g/t Au and 25 g/t Ag over 30.8 m as well as 1.1% Zn over 13.5 m.

Drilling density was reconnaissance-scaled, generally testing the strongest geophysical or geochemical anomaly. At Ursa Minor, a 1,200 metre long EM + IP chargeability anomaly was tested by 5 drillholes to a maximum vertical depth of 140 metres. At Ursa Major, an 800 metre long EM anomaly was tested in 3 locations by drillholes extending to a maximum vertical depth of 175 metres. In the opinion of the author of the Technical Report these zones do not have adequate drilling to determine the nature or extent of mineralization present.

Exploration Program Recommendations

In the opinion of both the Company and the author of the Technical Report, the Property is of sufficient merit to justify the following recommended exploration program. The recommended Phase 1 and Phase 2 programs are as follows:

Phase 1

1. Prospecting the North Zone over the base metals-in-soils anomalies as well as the Ursa Minor and Ursa Major base metals-in-soil and chargeability anomalies.
2. Additional IP surveys to delineate the chargeability trend extending northwest and southeast from the Rendell-Jackman workings for drill targeting.
3. Additional soil sampling in the Golden Anchor southeast extension area.
4. Drill testing the Golden Anchor gold-in-soils anomaly. Further work is also required to determine optimal drilling azimuths.
5. Reconnaissance drilling in the Golden Anchor North area.
6. Drill testing the Rendell-Jackman IP anomaly along trend.

Table 14 summarizes the exploration program proposed.

Item		Cost
Prospecting	14 mandays @ \$300/day	\$ 4,200
Soil Sampling	75 samples @ \$100/sample	\$ 7,500
IP	6.5 km @ \$2000/km	\$ 13,000
Drilling	725 metres @ \$220/m	\$ 159,000
Contingency	9%	\$ 16,300
Total		\$ 200,000

Table 14: Phase 1 Budget Recommendations

Phase 2

Upon favourable results from Phase 1 program, deep drill testing of the Beetle Pond base metal showing, additional drilling on the Rendell-Jackman workings and Golden Anchor prospect, and infill drilling along strike and to depth of the South Block occurrences along EM and IP chargeability trends should be completed. Additional surveys that may be employed to delineate deeper targets include gravity, borehole EM, structural geological interpretations, ground magnetics, and IP. Table 15 summarizes the exploration program proposed.

Item		Cost
IP	10 km @ \$2000/km	\$20,000
Gravity	5 km @ \$2400/km	\$12,000
Magnetics	30 km @ \$200/km	\$6,000
Borehole EM		\$12,000
Drilling	2500 metres @ \$220/m	\$550,000
Total		\$600,000

Table 15: Phase 2 Budget Recommendations

PROPOSED FINANCING AND NAME CHANGE

Proposed Financing

Concurrently with the close of the Qualifying Transaction, the Company intends to complete a non-brokered Private Placement Financing in which the Company will sell a minimum of 6,428,571 and up to 7,857,143 Units of the Company at a price of \$0.07 per Unit, to raise between \$450,000 and \$550,000; and, as at the date of this Filing Statement, the Company expects the final Private Placement amounts to be 7,723,540 Units for approximate total proceeds of \$540,648. Each Unit will be comprised of one Share and one Warrant, with each Warrant entitling the holder to purchase one additional Share of the Company at a price of \$0.10 per share for a period of two years from the Closing Date. Finder's fees consisting of an 8% cash commission, finder's Warrants, Shares, or a combination thereof, may be paid to qualified finders in connection with the Private Placement. As at the date of this Filing Statement, of the subscriptions received for 7,723,540 Units for approximate total proceeds of \$540,648, the Company has received, from a single registered finder, subscriptions for a total of 687,000 Units for gross proceeds of \$48,090. Based on these totals, the Company expects to pay a cash commission of \$3,847.20 and to issue 54,960 finder's Warrants.

All securities issued in connection with the Private Placement will be subject to a four-month hold period imposed by Canadian securities laws and the policies of the Exchange.

The Private Placement Financing will close concurrently with the Qualifying Transaction. The Company intends to use the proceeds of the Private Placement to fund the exploration program on the Property as recommended in the Technical Report, for general working capital and to fund the general and administrative expenses of the Resulting Issuer. For additional information on the use of the Private Placement Proceeds, see the disclosure in this Filing Statement under "Information Concerning the King's Point Property - Exploration Program Recommendations" and "Information Concerning the Agreement and Resulting Issuer - Available Funds and Principal Purposes".

Availability of Funds

As at September 30, 2016, the Company had an estimated working capital deficiency of \$36.

Based on this working capital position and assuming completion of the Qualifying Transaction and the Private Placement Financing which, as at the date of this Filing Statement, the Company expects the final amounts to be the placement of 7,723,540 Units for approximate total proceeds of \$540,648, the total funds available to the Company would be as follows:

		Funds Available	
A	Amount to be raised by Private Placement Financing	\$450,000 ⁽¹⁾	\$540,648 ⁽³⁾
B	Estimated cash cost (e.g., legal, accounting, audit, commissions) associated with the Qualifying Transaction and Private Placement Financing	75,000 ⁽²⁾	3,848 ⁽³⁾
C	Net Proceeds C = A - B	375,000	536,800
D	Estimated working capital as at September 30, 2016	(36)	(36)
E	Available funds: E = C + D	<u>\$374,964</u>	<u>\$536,764</u>

Notes:

¹ Assumes minimum financing of \$450,000

² Includes up to 8% cash finder's fee on the total gross proceeds of the Private Placement Financing

³ Assumes the Company completes the Private Placement based on the subscriptions received as at the date of this Filing Statement for 7,723,540 Units and approximate total proceeds of \$540,648, with finder's fees at 8.0% cash and 8.0% finder's Warrants being payable in connection with subscriptions for 687,000 Units for gross proceeds of \$48,090 (i.e. cash commission \$3,847.20 and 54,960 finder's Warrants).

The Company intends to use the available funds to fund an exploration program on the Property, for general working capital and to fund the general and administrative expenses of the Resulting Issuer. (See the disclosure in this Filing Statement under "Information Concerning the King's Point Property - Exploration Program Recommendations" and "Information Concerning the Agreement and Resulting Issuer - Available Funds and Principal Purposes").

Proposed Name Change

Concurrently with the close of the Qualifying Transaction, the Company intends to change its name from Inovent Capital Inc. to "Inomin Mines Inc." and to adopt the trading symbol "MINE" on the Exchange.

SUMMARY OF RISK FACTORS

The following is a summary of risks and uncertainties that management believes to be material to the Company's proposed mineral exploration business and therefore the value of the Shares. It is possible that other risks and uncertainties that affect the Company's business will arise or become material.

AN INVESTMENT IN SECURITIES OF THE COMPANY IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS FILING STATEMENT, PROSPECTIVE SHAREHOLDER AND PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN EVALUATING AN INVESTMENT IN THE SECURITIES OF THE COMPANY.

Qualifying Transaction or Private Placement Not Approved

The Completion of the Qualifying Transaction, including the Private Placement, is subject to approval of the Exchange. There can be no assurance that all of the necessary approvals will be obtained. If the Qualifying Transaction does not complete, the Company will continue to search for other opportunities, however, it will have incurred significant costs associated with the Qualifying Transaction. In the event that the Qualifying Transaction is not approved, the Company will remain a CPC.

The Exchange will review the expenses, disclosure, trading history and other transactions undertaken by the Company during its listing to determine compliance with Exchange policies. The Exchange may refuse to accept the Qualifying Transaction if significant concerns arise from its review and where, among

other things, the Company fails to meet the minimum listing requirements prescribed by the Exchange upon Completion of the Qualifying Transaction, or the consideration proposed to be paid by the Company in connection with the transaction is objectionable to the Exchange.

Possible Trading Suspension or Delisting

The Company has applied for the acceptance of the Exchange to the Qualifying Transaction. On January 19, 2017, the Company received the Exchange's conditional acceptance of the Qualifying Transaction. However, the Completion of the Qualifying Transaction remains subject to the Company fulfilling all of the remaining requirements of the Exchange, including the completion of the Private Placement. Failure to complete the Qualifying Transaction may result in the delisting of the Shares of the Company from the Exchange. Alternately, the Company may make application to the Exchange to transfer to the Exchange's NEX board, which comprises Exchange listed issuers that do not meet the Exchange's Tier 2 tier maintenance requirements (including suspended CPC's which have not completed a Qualifying Transaction).

Unproven Property

The purpose of the proposed Transaction and Private Placement are to acquire an unproven mineral exploration property (i.e. the Property as disclosed in this Filing Statement) and to raise to carry out further exploration on the Property, with the ultimate objective of establishing ore reserves of commercial tonnage and grade. If the Company's exploration program is successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only source of future funds presently available to the Company is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Company of an interest in Property to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated. There is no assurance that such sources of financing will be available on acceptable terms, if at all.

Lack of Active Securities Market

The lack of an active public market could have a material adverse effect on the price of the Company's Shares. The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Shares of the Company on the TSXV in the future cannot be predicted.

Exploration Highly Speculative

Exploration for minerals is a highly speculative venture necessarily involving some substantial risk. The program proposed by the Company is an exploratory search for ore. There is no certainty that the expenditures to be made by the Company in the acquisition and exploration of the interests described herein will result in discoveries of commercial quantities of ore. The Property Company does not contain any known body of commercial ore.

Commodity Market Risks

Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the

proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mine Operations Risks

The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that minerals recovered in small scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Mining operations generally involve a high degree of risk. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

Resource and Reserve Calculations Risk

There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on metal prices. Any material change in the quantity of reserves, resource grade or stripping ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production.

Legal Title Risks

While the Company has conducted customary title due diligence with respect to the Property, this should not be construed as a guarantee of title. The Property may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. The Company will be required to expend monies to carry out further work on the Property in order to keep its interest in the Property in good standing.

The Property includes mineral tenures which may have not been surveyed, and therefore, the precise location of the Property's boundaries may be in doubt.

Aboriginal Claims Risks

On June 26, 2014, the Supreme Court of Canada (the "SCC") released a decision in *Tsilhqot'in Nation v. British Columbia* (the "William Decision"), pursuant to which the SCC upheld the First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue

hardship, and do not deny the Aboriginal title holders their preferred means of exercising their rights. The Company currently does not hold any properties in British Columbia, in the area involved in the William Decision or otherwise. However, the William Decision has potential application with respect to Aboriginal land claims in all provinces of Canada. While the Company will endeavour to manage its operations within the existing legal framework while paying close attention to the direction provided by the applicable provincial regulatory authorities and First Nations regarding the application of this ruling, the risks and uncertainties remain consistent with those referenced herein.

No History of Operations or Earnings

The Company has no history of mineral exploration business operations or of any operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses and difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under applicable agreement. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Property with the possible dilution or loss of such interest. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. There is no assurance that the Company can operate profitably or that it will successfully implement its plans.

There is no assurance that the Company will ever be profitable. **The Company had a negative operating cash flow in its most recently completed financial year and will continue to for the foreseeable future. The Company may not have enough funds to carry out all of the recommended exploration on the Property described in the Technical Report, and additional financings may be required.**

Competition Risks

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop the Property, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competition in acquiring such properties or prospects.

Regulatory Risks

The current or future operations of the Company, including exploration and development activities and commencement of production on its properties, require permits from various levels of government. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Environmental Liability

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of its properties. To the extent the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available of the Company and could have a material adverse effect on the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures.

Conflicts of Interest

Certain of the directors of the Company serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's board of directors, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Reliance on Key Individuals

The Company's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Forward Looking Statements

Statements contained in this Filing Statement that are not historical facts are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Without limiting the generality of the foregoing, such risks and uncertainties include interpretation of results and geology, accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in production, delays in exploration or development activities, political risks involving doing business, the inherent uncertainty or production fluctuations and failure to obtain adequate financing on a timely basis. Except as required by securities laws and Exchange policies, the Company undertakes no obligations to update any such forward-looking disclosures.

INFORMATION CONCERNING THE COMPANY

Corporate Structure***Name and Incorporation***

The Company was incorporated under the BCBCA on August 23, 2012, as Inovent Capital Inc.

The current registered and records office of the Company is located at Suite 1130 - 400 Burrard Street Vancouver, BC V6C 3A6.

Inovent does not have any interest in a subsidiary.

Proposed Name Change

Concurrently with the close of the Qualifying Transaction, the Company intends to change its name from Inovent Capital Inc. to "Inomin Mines Inc.". The Company also intends to change its trading symbol to "MINE".

General Development of the Business*History*

Inovent is a Capital Pool Company listed on the TSXV under the symbol "IVQ.P". Prior to the IPO, Inovent raised \$115,000 by the issuance of 2,300,000 Shares at \$0.05 per Share. On December 18, 2013, Inovent completed the IPO and issued 2,564,800 Shares at a per-Share price of \$0.10, for aggregate gross proceeds of \$256,480, which amount was raised to provide Inovent with funds with which to identify and evaluate businesses or assets with a view towards completing a Qualifying Transaction. The Shares began trading on the TSXV on December 18, 2013. As at the date hereof and prior to the completion of the Transaction, Inovent has not and will not have commenced any commercial operations and does not and will not have any assets, other than approximately \$21,000 in cash and \$15,000 temporary investments.

On July 2, 2014, the Company announced that it had entered into a Letter of Intent to enter into a business combination with Canada Jetlines Inc. ("Jetlines") that was intended to constitute the Company's Qualifying Transaction. Inovent's stock was halted at that time. Under the LOI, Inovent paid Jetlines a non-refundable deposit of \$25,000 and later advanced a secured, refundable deposit of \$120,000 to Jetlines. On September 15, 2014, Inovent and Jetlines signed a definitive amalgamation agreement. On November 26, 2014, Inovent announced that it had filed a preliminary prospectus for aggregate proceeds of \$50,000,000 to close concurrent with the closing of the QT. On February 10, 2015, Inovent disclosed that Jetlines had breached the amalgamation agreement. In 2015, Inovent commenced court proceeding against Jetlines for recovery of its secured, refundable deposit, and other funds. On October 1, 2015, Inovent announced that it had reached a settlement with Jetlines whereby Inovent was paid \$105,000 and issued 200,000 warrants of Jetlines entitling Inovent to acquire 200,000 common shares of Jetlines at a price of \$0.50 for a period of two years. Inovent incurred a total of \$220,579 in transaction and offering expenses related to the Jetlines QT.

On December 21, 2015, the Company's shares were suspended from trading on the TSXV for failure to complete a QT within the 24-month period required.

On April 29, 2016, the Company announced that it had received an extension for completion of a QT until September 21, 2016.

On August 18, 2016, the Company announced the signing of the Agreement regarding the acquisition of the Property as its QT.

On September 19, 2016, the Company announced that it had received a further extension to December 20, 2016.

On October 6, 2016, the Company issued a news release announcing that it had arranged a non-brokered private placement of up to 7.1 million Units at a price of \$0.07 per Unit for total proceeds of up to \$500,000.

On November 1, 2016, the Company announced it has expanded its non-brokered private placement to provide for investments through an Investment Dealer in the jurisdictions of Canada where this exemption is available.

On December 24, 2016, the Company and the Vendors amended the Agreement to permit more time for the Company to complete its QT review process with the TSXV.

On December 28, 2016, the Company announced that it had received a further extension to January 20, 2017.

See "Proposed Financing" below.

Proposed Financing

Concurrently with the Completion of the Qualifying Transaction, the Company intends to complete a non-brokered Private Placement Financing of minimum of 6,428,571 and up to 7,857,143 Units of the Company at a price of \$0.07 per Unit, to raise between \$450,000 and \$550,000; and, based on subscriptions received as at the date of this Filing Statement, the Company expects the final Private Placement amounts to be 7,723,540 Units for approximate total proceeds of \$540,648. Each Unit will be comprised of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years from the Closing Date.

The Private Placement Financing will be made in accordance with the rules and policies of the Exchange and is contemplated to close concurrently with the Completion of the Qualifying Transaction. The Company intends to use the proceeds of the Private Placement to fund the exploration program on the Property as recommended in the Technical Report, for general working capital and to fund the general and administrative expenses of the Resulting Issuer. For further information on the use of the Private Placement Financing proceeds, see the disclosure in this Filing Statement under "Information Concerning

the King's Point Property - Exploration Program Recommendations" and "Information Concerning the Agreement and Resulting Issuer - Available Funds and Principal Purposes".

The securities issued in connection with the Private Placement Financing will be subject to a hold period under Canadian securities legislation and the policies of the Exchange and may not be traded for a period of four months following the closing of the Private Placement Financing, except as permitted by Canadian securities legislation and the Exchange.

Finder's fees consisting of an 8% cash commission, finder's Warrants, Shares, or a combination thereof, may be paid to qualified finders in connection with the financing. As at the date of this Filing Statement, of the subscriptions received by the Company for 7,723,540 Units for approximate total proceeds of \$540,648, the Company has received, from a single registered finder, subscriptions for a total of 687,000 Units for gross proceeds of \$48,090. Based on these totals, the Company expects to pay a cash commission of \$3,847.20 and to issue 54,960 finder's Warrants.

Selected Financial Information and Management's Discussion and Analysis

Information from Inception

The Company has reported financial statements for the 6 month period ended September 30, 2016 and the period of incorporation on August 23, 2012 to March 31, 2016.

	6 months ended September 30, 2016	Period from incorporation on August 23, 2012 to March 31, 2016
Total Expenses:	\$32,831	\$348,951
Amounts incurred in connection with the Qualifying Transaction and included in total expenses noted above	\$25,474	\$232,176 ⁽¹⁾

Note:

(1) The Qualifying Transaction expenses included in this amount were incurred in connection with the Company's proposed 2014 Qualifying Transaction with Canada Jetlines Inc. For additional information, see the discussion under "Information Concerning the Company - General Development of the Business"

Management Discussion and Analysis

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated November 25, 2016, unless otherwise indicated and should be read in conjunction with the audited financial statements of Inovent Capital Inc. ("**Inovent**", the "**Company**", "**we**", "**our**" or "**us**") for the year ended March 31, 2016, and the related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are reported in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guideline for public companies to ensure transparency and accountability to shareholders. The Board of

Director's Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating, and internal control matters.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Inovent common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Selected Financial Information

Selected Quarterly Information

Period	Three Months ended September 30, 2016 (\$)	Three Months ended September 30, 2015 (\$)	Six Months ended September 30, 2016 (\$)	Six Months ended September 30, 2015 (\$)
Total Expenses	(24,059)	(18,844)	(32,831)	(27,095)
Net loss for the Period	(24,059)	(18,844)	(32,831)	(27,095)
Basic and diluted earnings per share	(0.005)	(0.004)	(0.007)	(0.006)

Results of Operations

The Company's net loss totalled \$24,059 for the three month period ended September 30, 2016, with basic and diluted loss per share of \$0.005. The net loss principally related to charges for professional fees and technical report on King's Point Property.

The Company's net loss totalled \$18,844 for the three month period ended September 30, 2015 with basic and diluted loss per share of \$0.004. The net loss principally related to charges for professional fees and loss from transaction.

Liquidity

The Company's cash on hand decreased to \$59,344 at September 30, 2016 from \$79,478 at March 31, 2016. The Company had working capital deficiency of \$93,231 at September 30, 2016 compared to a working capital deficiency of \$60,400 at March 31, 2016.

The Company's current asset balance of \$74,344 (March 31, 2016 - \$94,478) is comprised of cash of \$59,344 (March 31, 2016 - \$79,478), and temporary investment of \$15,000 (March 31, 2016 - \$15,000).

The Company has current liabilities total of \$167,575 (March 31, 2016 - \$154,878). All outstanding accounts payable and accrued liabilities relate mainly to professional fees.

As of the date of the MD&A, the Company does not have sufficient working capital to meet its ongoing financial obligations for the coming year. However, there are also going concern uncertainties relating to the Company completing a Qualifying Transaction (refer to Risk Factors).

The Company has no long term debt, capital lease obligations, operating leases, or any other long term obligations.

All Shares of the Company that may be acquired by Non-Arm's Length Parties to the Company, including Shares under the Private Placement and all Shares of the Company acquired by any person or company who becomes a control person under the secondary market prior to the Completion of the Qualifying Transaction are required to be deposited in escrow.

The Company has limited financial resources. If the Qualifying Transaction does not complete, the Company will be required to recommence its efforts to identify another suitable transaction. The Completion of the Qualifying Transaction is subject to the Company fulfilling all of the requirements of the Exchange.

Description of the Securities

Description of Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which, as at September 30, 2016, 4,864,800 Shares are issued and outstanding as fully paid and non-assessable. An additional 480,000 Shares are reserved for issuance pursuant to stock options issued under the Company's stock option plan.

Subject to the CPC Escrow Agreement, as required by the policies of the Exchange, 2,300,000 of the issued and outstanding common shares are held in escrow. Under the terms of the CPC Escrow Agreement, these shares will be released as to 10% thereof on the completion of the Company's Qualifying Transaction, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

In addition, the Company proposes to issue 2,750,000 Shares to the Vendors under the terms of the Agreement, at a deemed price of \$0.07 per Share, and up to 7,857,143 Units pursuant to the Private Placement Financing. Based on subscriptions received as at the date of this Filing Statement, the Company expects the final Private Placement amounts to be 7,723,540 Units for approximate total proceeds of \$540,648. Each Unit will be comprised of one common share and one share purchase warrant with each Warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years from the Closing Date.

The 2,750,000 shares to the Vendors under the terms of the Agreement will be subject to escrow under the QT Escrow Agreement, a Value Securities Escrow Agreement - Form 5D required by the policies of the Exchange. The QT Escrow Agreement will provide for the release of 10% of the Vendors' Escrow Shares on the completion of the Closing, and for the release of 15% of the Escrow Shares on the date that is six months, 12 months, 18 months, 24 months, 30 months and 36 months from the Closing Date.

The holders of Shares are entitled to vote at all meetings of shareholders of the Company, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Shares, to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company.

Stock Option Plan

The Company's Option Plan provides that the Inovent Board may, from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers and technical consultants of Inovent, non-transferable options to purchase Shares, provided that the number of Shares reserved for issuance will not exceed 10% of the issued and outstanding Shares at the time of grant. The term of such options will be fixed by the Inovent Board, subject to the limitations that they will be exercisable for a period of up to five years from the date of grant. In connection with the foregoing, the number of Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Inovent Common Shares; the number of Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Shares. Options may be exercised the greater of 12 months and after the completion of Inovent's Qualifying Transaction and 90 days following cessation of the optionee's position with Inovent, provided that if the cessation of office, directorship, or technical consulting

arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Shares acquired pursuant to the exercise of Inovent Options prior to completion of the Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. As of the date of this Filing Statement, 480,000 Inovent Options are issued and outstanding.

The table below sets forth the issued and outstanding Inovent Options as at the date hereof

Holder (Separated by Group)	Number of Inovent Options	Exercise Price	Expiry Date
Directors and past directors who are not also executive officers (Total number of persons: 2)	192,000	\$0.10	December 18, 2018
Executive officers and past executive officers (Total number of persons: 3)	288,000	\$0.10	December 18, 2018
Other employees and past employees (Total number of persons: Nil)	Nil	N/A	N/A
Consultants (Total number of persons: Nil)	Nil	N/A	N/A
Total	480,000		

Principal Shareholders

To the knowledge of the directors and officers of Inovent, as of the date of this Prospectus, other than as disclosed below, no Person beneficially owns, controls, or directs, directly or indirectly, Inovent Common Shares carrying more than 10% of the votes attached to the Inovent Common Shares.

Name of Shareholder and Municipality of Residence	Type of Ownership	Number of Inovent Common Shares	Percentage of Inovent Common Shares Owned Prior to Giving Effect to the Private Placement and the Transaction	Number of Resulting Issuer Shares Owned After Giving Effect to the Private Placement and the Transaction ⁽¹⁾⁽²⁾	Percentage of Resulting Issuer Shares Owned After Giving Effect to the Private Placement and the Transaction ⁽¹⁾⁽²⁾
Robert James Baylis Vancouver, BC	Direct and Beneficial	820,000	16.86%	820,000	5.35% ⁽³⁾⁽⁴⁾

Notes:

- (1) On an un-diluted basis
- (2) Assuming no Private Placement Financing securities are purchased by Mr. Baylis under the Private Placement.
- (3) On a partially-diluted basis, after the exercise of his 96,000 options, Mr. Baylis' post-closing holdings in the Resulting Issuer would be 5.94%,.
- (4) Assuming, based on subscriptions received as at the date of this Filing Statement, the final Private Placement amounts will be 7,723,540 Units.

Dividends or Distributions

To date, Inovent has not paid any dividends on the Inovent Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Resulting Issuer to fund further growth, financial condition of the Resulting Issuer and other factors which the Resulting Issuer Board may

consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Prior Sales

During the 12-month period prior to the date of this Filing Statement, Inovent did not issue any securities. Price Range and Trading Volume

The Inovent Common Shares have been listed on the TSXV since December 18, 2013 under the trading symbol "IVQ.P". The following table sets forth the reported high and low prices and the trading volume for the Inovent Common Shares for each month since the Inovent Common Shares began trading on the TSXV.

	High	Low	Volume
June 2014 to date hereof ⁽¹⁾	N/A	N/A	N/A
May 2014 ⁽¹⁾	\$0.07	\$0.07	36,000
April 2014	N/A	N/A	0
March 2014	\$0.10	\$0.10	2,000
February 2014	N/A	N/A	0
January 2014	N/A	N/A	0
December 2013	N/A	N/A	0

Notes:

- (1) The Inovent Common Shares were halted from trading on June 30, 2014, pending the announcement and completion of the Transaction. No trades of Inovent Common Shares occurred between May 10, 2014 and June 30, 2014.

Escrowed Securities

CPC Escrow Agreement

As of the date of this Filing Statement there are 2,300,000 Inovent Common Shares held in escrow pursuant to the CPC Escrow Agreement, as set out in the following table:

Name and Municipality of Residence of Shareholder	Number of Inovent Common Shares held in escrow⁽¹⁾	Percentage of Inovent Common Shares Prior to Giving Effect to the Private Placement and the Transaction	Percentage of Resulting Issuer Shares After Giving Effect to the Private Placement and the Transaction⁽²⁾	Percentage of Resulting Issuer Shares After Giving Effect to the Private Placement and the Transaction⁽³⁾
Robert James Baylis Vancouver, BC	820,000	16.86%	5.84%	5.35%
Oro Grande Capital Inc. New Westminster, BC ⁽³⁾	460,000	9.46%	3.28%	3.0%
Biltmore Properties Ltd. Vancouver, BC ⁽⁵⁾	260,000	5.35%	1.85%	1.70%
AMS Law Corporation Vancouver, BC ⁽⁶⁾	260,000	5.34%	1.85%	1.70%

Name and Municipality of Residence of Shareholder	Number of Inovent Common Shares held in escrow ⁽¹⁾	Percentage of Inovent Common Shares Prior to Giving Effect to the Private Placement and the Transaction	Percentage of Resulting Issuer Shares After Giving Effect to the Private Placement and the Transaction ⁽²⁾	Percentage of Resulting Issuer Shares After Giving Effect to the Private Placement and the Transaction ⁽³⁾
David H. Brett New Westminster, BC	200,000	4.11%	1.42%	1.30%
Jagraj Sidhu Vancouver, BC	100,000	2.06%	0.71%	0.65%
Roger Milad Coquitlam, BC	100,000	2.06%	0.71%	0.65%
Douglas Kip Greenlaw Vancouver, BC	100,000	2.06%	0.71%	0.65%
Total	2,300,000	47.30%	16.38%	15.0%

Notes:

- (1) The Escrow Agent is Computershare Investor Services Inc.
- (2) Assumes that none of the Private Placement Financing Securities are purchased by these Persons under the Private Placement, only the minimum of Private Placement of 6,428,571 to raise between \$450,000 is achieved, and before the exercise of the 480,000 outstanding stock options.
- (3) Assumes that the Company completes the Private Placement, including insider subscriptions for 575,000 Units, based on subscriptions received as at the date of this Filing Statement, for 7,723,540 Units and approximate total proceeds of \$540,648, and before the exercise of the 480,000 outstanding stock options.
- (4) This is a private company wholly owned by Evilio J. Gomez-Garcia, a director of Inovent.
- (5) This is a private company wholly owned by George A. Pietrobon, the CFO and a director of Inovent.
- (6) This is a private company with all voting securities wholly owned by Ari M. Shack, the corporate secretary and a director of Inovent.

Where the escrowed securities are held by a holding corporation, each holding corporation, pursuant to the CPC Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the CPC Escrow Agreement which would result in a change of control of the holding corporation, without the consent of the TSXV. Any holding corporation must sign an undertaking to the TSXV that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding corporation. In addition, the TSXV may require an undertaking from any control person of the holding corporation not to transfer the shares of that corporation.

Under the CPC Escrow Agreement, if the Resulting Issuer is or becomes a TSXV Tier 1 issuer, the Resulting Issuer Shares issued in exchange for the IPO Escrowed Securities will be released over a period of 18 months with 25% of the IPO Escrowed Securities being released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 25% being released on each of the dates that is 6, 12 and 18 months following the date of the Initial Release. If the Resulting Issuer is a Tier 2 issuer, the Resulting Issuer Shares issued in exchange for the IPO Escrowed Securities will be released over a period of 36 months with 10% of the IPO Escrowed Securities being released from escrow on the issuance of the Final Exchange Bulletin and an additional 15% being released on each of the dates that is 6, 12, 18, 24, 30 and 36 months following the date of the Initial Release.

QT Escrow Agreement

In addition, the 2,750,000 shares to the Vendors under the terms of the Agreement will be subject to escrow under the QT Escrow Agreement, a *Value Securities Escrow Agreement - Form 5D* as required by

the policies of the Exchange. The QT Escrow Agreement will provide for the release of 10% of the Vendors' Escrow Shares on the completion of the Closing, and for the release of 15% of the Escrow Shares on the date that is six months, 12 months, 18 months, 24 months, 30 months and 36 months from the Closing Date.

Arm's Length Transaction

The Qualifying Transaction is an Arm's Length Qualifying Transaction within the meaning of the Policies of the Exchange.

Legal Proceedings

There are no legal proceedings to which the Company is or is likely to be a party or which are known to the Company to be pending or contemplated which are material to the business and affairs of the Company.

Auditor, Transfer Agent and Registrar Auditor

The auditors of Inovent are Wolrige Mahon LLP, Ninth Floor, 400 Burrard Street, Vancouver, British Columbia, V6C 3B7.

The registrar and transfer agent of the Shares of the Company is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

Material Contracts

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by Inovent which are currently in effect or are anticipated to be in effect prior to completion of the Transaction:

- the Agreement (as amended)
- the CPC Escrow Agreement
- the Form 5D QT Escrow Agreement
- The materials contracts of Inovent are available at www.sedar.com. The materials contracts of the Resulting Issuer will be available at www.sedar.com upon completion of the Transaction.

The material contracts described above may be inspected at the offices of the solicitors of the Company, Norton Rose Fulbright Canada LLP, Suite 1800 – 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3, during normal business hours until the closing of the Qualifying Transaction and for a period of 30 days thereafter.

These contracts will be the material contracts of the Resulting Issuer upon Completion of the Qualifying Transaction.

INFORMATION CONCERNING THE AGREEMENT AND RESULTING ISSUER

The Acquisition Agreement

Pursuant to the Agreement, subject to the acceptance of the Exchange, the Company will acquire a 100% interest in the Property by issuing to the Vendors 2,750,000 Shares. The Vendors will retain a 2.5% NSR, of which 1.5% is purchasable at any time by the Company for \$1,000,000, to thereby reduce it to a 1.0% NSR. On January 19, 2017, the Company received the Exchange's conditional acceptance of the

Qualifying Transaction, with the Exchange's final acceptance being subject to the fulfilment of customary closing conditions.

Upon Completion of the Qualifying Transaction, including the Private Placement, the Company proposes to fund the exploration program as recommended by the Technical Report. See "Information Concerning the Agreement and the Resulting Issuer - Available Funds and Principal Purposes".

Concurrently with the closing of the Qualifying Transaction, the Company will close the Private Placement Financing. The Company intends to use the proceeds of the Private Placement to fund the exploration program on the Property as recommended in the Technical Report, for general working capital and to fund the general and administrative expenses of the Resulting Issuer. For further information on the use of the Private Placement Financing proceeds, see the disclosure in this Filing Statement under "Information Concerning the King's Point Property - Exploration Program Recommendations" and "Information Concerning the Agreement and Resulting Issuer - Available Funds and Principal Purposes".

The Company commissioned Peters to prepare a report with respect to the Property. The author was retained to complete the Technical Report in a form consistent with NI 43-101. Peters is a "Qualified Person" for the purposes of NI 43-101. The following information regarding the Property is derived from the Technical Report, titled "National Instrument 43-101, Technical Report on the King's Point Polymetallic Project, Green Bay Area, Newfoundland". For further details, see the discussion above under "Information Concerning the King's Point Property". The complete Technical Report is filed under the Company's profile on the SEDAR website at www.sedar.com.

Description of the Securities

No change to the Company's capital structure is contemplated as a result of the Transaction. Therefore, the securities of the Resulting Issuer will be the existing securities of the Company. See "Information Concerning the Company – Description of Securities".

Pro Forma Consolidated Capitalization

The following table sets out the selected share and loan capital of the Resulting Issuer following the Completion of the Qualifying Transaction and the Private Placement

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Qualifying Transaction	Amount outstanding after giving effect to the Qualifying Transaction and Private Placement ⁽¹⁾	Amount outstanding after giving effect to the Qualifying Transaction and Private Placement ⁽²⁾
Common Shares	Unlimited	7,614,800 ⁽³⁾⁽⁴⁾	14,043,371 ⁽⁵⁾	15,337,540
Stock Options	nil ⁽⁶⁾⁽⁷⁾	480,000 ⁽⁷⁾	480,000 ⁽⁷⁾	480,000 ⁽⁷⁾
Share Purchase Warrants	nil	nil	6,428,571	7,778,500
Long Term Debt	nil	nil	nil	nil

Notes:

- (1) Assumes that the Company completes the minimum Private Placement of 6,428,571 financing shares at \$0.07 per share. See "Information Concerning the Company - General Development of the Business – Proposed Financing".
- (2) Assumes that the Company completes the Private Placement, including insider subscriptions for 575,000 Units, based on subscriptions received as at the date of this Filing Statement, for 7,723,540 Units and approximate total proceeds of \$540,648, and before the exercise of the 480,000 outstanding stock options. Also includes the expected issuance of 54,960 finder's Warrants. See "Information Concerning the Company - General Development of the Business – Proposed Financing".

- (3) The sum of the pre-transaction 4,864,800 issued and outstanding Shares, plus 2,750,000 Shares issuable to the Vendors pursuant to the Agreement.
- (4) These 7,614,800 will be held in escrow pursuant to Exchange escrow agreements. See "Information Concerning the Agreement and the Resulting Issuer – Escrowed Securities".
- (5) The Private Placement of a minimum of 6,428,571 Units will close in conjunction with the completion of the Qualifying Transaction, each Unit being comprised of one common share and one share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.07 per share for a period of two years from Closing.
- (6) Until Completion of the Qualifying Transaction, the maximum number of stock options reserved for issuance under the Option Plan is 480,000.
- (7) Please see "Information Concerning the Agreement and the Resulting Issuer – Options to Purchase Securities".

Pro Forma Fully Diluted Share Capital

The following table sets out the fully diluted share capital of the Resulting Issuer after giving effect to the Private Placement Financing and the Completion of the Qualifying Transaction.

Description	Number of Shares ⁽¹⁾	Percentage of Total (approx.) ⁽¹⁾	Number of Shares ⁽²⁾	Percentage of Total (approx.) ⁽²⁾
Shares presently issued	4,864,800	19.90%	4,864,800	20.60%
Shares presently reserved for issuance pursuant to outstanding stock options	480,000	2.0%	480,000	2.0%
Number of Shares issuable under proposed Private Placement Financing	7,857,143	32.15%	7,723,540	32.73%
Number of Shares reserved for issuance pursuant to number of Warrants to be issued under Private Placement Financing	7,857,143	32.15%	7,723,540	32.73%
Number of Shares reserved for issuance pursuant to number of Finder's Warrants under Private Placement Financing	628,572	2.57	54,960	0.24%
Shares issuable to the Vendors under the Agreement	2,750,000	11.25%	2,750,000	11.65%
TOTAL	24,437,658	100.0%	23,596,840	100.0%

Notes:

- (1) Calculations assuming the maximum amount of the Private Placement is completed and all of the Private Placement is subject to the issuance of 8.0% finder's Warrants. The Private Placement of a minimum of 6,428,571 and a maximum of 7,857,143 Units will close in conjunction with the completion of the Qualifying Transaction, each Unit being comprised of one common share and one share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years from Closing.

- (2) As at the date of this Filing Statement, including insider subscriptions for 575,000 Units, based on subscriptions received, the Private Placement is expected to be for 7,723,540 Units and approximate total proceeds of \$540,648. In addition, the Company expects to issue 54,960 finder's Warrants. See "Information Concerning the Company - General Development of the Business – Proposed Financing".

Escrowed Securities – Resulting Issuer

CPC Escrow Agreement

As of the date of this Filing Statement there are 2,300,000 Inovent Common Shares held in escrow pursuant to the CPC Escrow Agreement, as set out in the table presented on p. 84 above under Information Concerning the Company – Description of Securities – Escrow Securities.

Where the escrowed securities are held by a holding corporation, each holding corporation, pursuant to the CPC Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the CPC Escrow Agreement which would result in a change of control of the holding corporation, without the consent of the TSXV. Any holding corporation must sign an undertaking to the TSXV that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding corporation. In addition, the TSXV may require an undertaking from any control person of the holding corporation not to transfer the shares of that corporation.

Under the CPC Escrow Agreement, if the Resulting Issuer is or becomes a TSXV Tier 1 issuer, the Resulting Issuer Shares issued in exchange for the IPO Escrowed Securities will be released over a period of 18 months with 25% of the IPO Escrowed Securities being released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 25% being released on each of the dates that is 6, 12 and 18 months following the date of the Initial Release. If the Resulting Issuer is a Tier 2 issuer, the Resulting Issuer Shares issued in exchange for the IPO Escrowed Securities will be released over a period of 36 months with 10% of the IPO Escrowed Securities being released from escrow on the issuance of the Final Exchange Bulletin and an additional 15% being released on each of the dates that is 6, 12, 18, 24, 30 and 36 months following the date of the Initial Release.

QT Escrow Agreement

In addition to the 2,300,000 Inovent Common Shares held in escrow pursuant to the CPC Escrow Agreement as discussed above, the 2,750,000 shares to the Vendors under the terms of the Agreement will be subject to escrow under the QT Escrow Agreement, a *Value Securities Escrow Agreement - Form 5D* as required by the policies of the Exchange (See the discussion below under "Principal Security Holders"). The QT Escrow Agreement will provide for the release of 10% of the Vendors' Escrow Shares on the completion of the Closing, and for the release of 15% of the Escrow Shares on the date that is six months, 12 months, 18 months, 24 months, 30 months and 36 months from the Closing Date.

Available Funds and Principal Purposes

Funds Available

It is anticipated that the Resulting Issuer will have total funds available, after giving effect to the Qualifying Transaction, as follows:

Source	Funds Available	
Estimated working capital of the Resulting Issuer at December 31, 2016	\$50,000	\$50,000

Gross Private Placement Financing proceeds	\$450,000 ⁽¹⁾	\$540,648 ⁽²⁾
TOTAL	\$500,000	\$590,648

Notes:

- (1) Calculations assuming the minimum amount of the Private Placement is completed. The Private Placement of a minimum of 6,428,571 and a maximum of 7,857,143 Units will close in conjunction with the completion of the Qualifying Transaction, each Unit being comprised of one common share and one share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years from Closing.
- (2) As at the date of this Filing Statement, including insider subscriptions for 575,000 Units, based on subscriptions received, the Private Placement is expected to be for 7,723,540 Units and approximate total proceeds of \$540,648. In addition, the Company expects to issue 54,960 finder's Warrants.

Principal Purposes

The Resulting Issuer intends to expend the funds available as follows:

Anticipated Use of Funds

Estimated balance of the expenses of the Qualifying Transaction and Private Placement Financing	\$75,000	\$75,000
Administrative expenses of the Resulting Issuer for 12 months ⁽¹⁾	125,000	125,000
Recommended exploration program on the Property	200,000	200,000
Unallocated working capital ⁽²⁾	100,000 ⁽³⁾	190,648 ⁽⁴⁾
TOTAL	\$500,000	\$590,648

Notes:

- (1) The Resulting Issuer expects to incur approximate monthly administrative expenses of \$10,400 as follows: \$4,000 for salary payable to the Chief Executive Officer of the Resulting Issuer; \$2,800 for legal, accounting/auditing and regulatory filing fees; \$2,500 for travel and investor relations activities and \$1,100 for office expenses, including rent.
- (2) Certain of the unallocated working capital may be used for reimbursements of expenses incurred by officers and/or directors of the Resulting Issuer.
- (3) Calculations assuming the minimum amount of the Private Placement is completed. The Private Placement of a minimum of 6,428,571 and a maximum of 7,857,143 Units will close in conjunction with the completion of the Qualifying Transaction, each Unit being comprised of one common share and one share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years from Closing.
- (4) As at the date of this Filing Statement, including insider subscriptions for 575,000 Units, based on subscriptions received, the Private Placement is expected to be for 7,723,540 Units and approximate total proceeds of \$540,648. In addition, the Company expects to issue 54,960 finder's Warrants.

A reallocation of the funds may be necessary for sound business reasons, as determined by management of the Company.

Dividends

The holders of Shares are entitled to dividends, if, as and when declared by the board of directors of the Company. Any decision to pay dividends on Shares in the future will be made by the board of directors on the basis of the earnings, financial requirements and other conditions existing at such time.

Principal Security Holders

To the knowledge of management of the Company, the only security holders that will own of record or beneficially, directly or indirectly or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer after giving effect to the Qualifying Transaction and the Private Placement Financing are as follows:

Name and Municipality of Residence of Shareholder	Type of Ownership	No. of Shares⁽¹⁾	% of Shares Owned before the Qualifying Transaction and the Private Placement^{(1) (2)}	% of Shares Owned after the Qualifying Transaction and the Private Placement⁽²⁾	% of Shares Owned on a Fully Diluted Basis⁽³⁾
Dean Fraser Paradise, Newfoundland	Direct	2,890,000	nil	18.76%%	12.25%

Notes:

- (1) Of these Shares, 2,750,000 will be held in escrow pursuant to the QT Escrow Agreement. See "Escrowed Securities". In addition, assumes Mr. Fraser completes his subscription for 70,000 Units in the Private Placement, and has exercised his 70,000 Private Placement Warrants.
- (2) Calculated on the assumptions that the Private Placement will be for the subscriptions received to date of 7,723,540 Units, including Mr. Fraser's subscription for 70,000 Units, and Mr. Fraser has exercised his 70,000 Warrants acquired in the Private Placement, but before giving effect to the exercise of any other Private Placement Warrants or the exercise of stock options granted to directors. In addition, this includes the assumption that the Company issues 54,960 finder's Warrants.
- (3) Calculated on the assumptions that the 2,750,000 Transaction Shares have been issued, the Private Placement will be for the subscriptions received to date of 7,723,540 Units, including Mr. Fraser's subscription for 70,000 Units, and all Warrants and Options have been fully exercised, including the anticipated 54,960 finder's Warrants.

Directors, Officers and Promoters

The Company intends to retain all its current management team and directors upon Completion of the Qualifying Transaction, and, coincident with the completion of its acquisition of the Property, to augment its board by appointing Bruce Winfield, M.Sc., P.Geo., as an additional director. The following table sets forth the name of all individuals who will be directors, officers and promoters of the Resulting Issuer following the Completion of the Qualifying Transaction, their municipalities of residence, their current positions with the Company, their principal occupations during the past five years and the number of Shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name and Municipality of Residence	Position with Inovent ⁽¹⁾	Principal Occupation in Preceding Five Years	Inovent Common Shares Owned ⁽²⁾⁽³⁾	
			Number	Percentage
David H. Brett New Westminster, BC	Chief Executive Officer and Director	President and Chief Executive Officer, EnGold Mines Ltd., President & CEO, Pacific Bay Minerals Ltd.	200,000	4.11%
George Alfio Pietrobon ⁽⁴⁾⁽⁵⁾ Vancouver, BC	Chief Financial Officer and Director	Chartered Professional Accountant	300,000 ⁽⁵⁾	6.17%
Ari M. Shack ⁽⁶⁾ Vancouver, BC	Corporate Secretary and Director	Corporate/Commercial Lawyer	260,000 ⁽⁶⁾	5.34%
Evilio J. Gomez-Garcia ⁽⁴⁾⁽⁷⁾ New Westminster, BC	Director	Business Consultant	465,000 ⁽⁷⁾	9.56%
Robert James Baylis ⁽⁴⁾ Vancouver, BC	Director	Litigation Lawyer	820,000	16.86%
Bruce Winfield, M.Sc., P.Geo. Vancouver, BC	Director	Professional Geologist and President and Chief Executive Officer, Defiance Silver Corp.	1,000	0.02%

Notes:

- (1) The term of office of the directors expires annually at the time of Inovent's annual general meeting or when or until their successor is duly appointed or elected. The term of office of Inovent's officers expires at the discretion of Inovent's directors. None of the current directors and officers has non-competition or non-disclosure agreements with Inovent.
- (2) As at the date of this Filing Statement the current directors and executive officers of Inovent, as a group, own beneficially, directly or indirectly, or exercise control or direction over, a total of 2,045,000 Inovent Common Shares, representing 42.06% of the issued and outstanding Inovent Common Shares.
- (3) Includes all Shares that are beneficially owned, directly or indirectly, or controlled by the director and/or officer.
- (4) Member of the Inovent Audit Committee.
- (5) Inovent Shares owned by Biltmore Properties Ltd., a private company wholly owned by George A. Pietrobon.
- (6) Inovent Shares owned by AMS Law Corporation, a private company wholly owned by Ari M. Shack.
- (7) Inovent Shares (460,000) owned by Oro Grande Capital Inc., a private company wholly owned by Evilio J. Gomez-Garcia.

*Management Biographies***David H. Brett - 56 – Chief Executive Officer and Director**

Mr. Brett has 27 years of public company management and financing experience, including President, CEO & Director of EnGold Mines Ltd. from October 2014 to present, director of Pacific Bay Minerals Ltd. ("**Pacific Bay**") (PBM.V) from 1999 to 2007, President from 1995 to 1999 and Managing Director from 1985 to 1992. Mr. Brett was appointed CEO of Pacific Bay in December 2007. As former CEO and President of Cusac Gold Mines Ltd., a company formerly listed on the Toronto Stock Exchange that in 2008 amalgamated with another public company, Mr. Brett financed and oversaw the recommencement of gold mining operations in 2006. Mr. Brett is also CEO and founder of Knexa Solutions Ltd., an

innovative information technology company focused on web-based collaboration and intellectual property trading. Mr. Brett obtained a BA from the University of British Columbia and an MBA from Simon Fraser University and is a part time instructor in the MBA Program (Venture Finance) at Trinity Western University.

Ari M. Shack - 46 – Corporate Secretary and Director

Mr. Shack has practiced throughout his career as a commercial solicitor advising both public and private companies. Mr. Shack has extensive experience advising clients in relation to day-to-day commercial transactions and operations. In addition, Mr. Shack has experience advising private and public companies on corporate finance matters, including securities issuances and secured lending. Mr. Shack also assists clients with corporate structuring and reorganizations, including transactions involving amalgamations, continuations, dissolutions and tax motivated transactions. Mr. Shack is qualified to practice law in British Columbia, and holds both a Bachelor of Commerce degree (1993) and a Bachelor of Laws degree (1997).

George Alfio Pietrobon - 68 – Chief Financial Officer and Director

Mr. Pietrobon holds a Bachelor of Commerce degree from the University of British Columbia (1975) and has been a member of the Institute of Chartered Professional Accountants since 1978. Mr. Pietrobon brings to Inovent considerable business, accounting and audit experience, with both public and private companies, including experience performing audits for publicly listed companies.

Evilio J. Gomez-Garcia - 52 – Director

Mr. Gomez-Garcia is an entrepreneur and marketing consultant who has founded and developed businesses in the mining, internet, and sports sectors. He founded and was president of a private Colombian mineral exploration company that went public on the TSXV. He also founded U3O8 Media Inc., an Internet news business on the uranium market. Mr. Gomez-Garcia provides marketing services for various organizations, including corporate communications, social media, and public relations, as well as raising capital for private and public companies. He holds a Bachelor of Arts degree from the University of Victoria.

Robert James Baylis - 67 – Director

Mr. Baylis holds a Bachelor of Laws degree from the University of British Columbia and has been qualified to practice law in British Columbia since 1979. Mr. Baylis practices mainly in the areas of civil litigation and arbitration related to corporate-commercial, real estate, building construction and insurance disputes. Mr. Baylis has extensive experience representing resource companies and has invaluable associations with legal firms and insurance and fund managers in offshore finance centers.

Bruce Winfield - 69 – Director

Mr. Winfield, M.Sc., P.Geo., is President, CEO and a director of Defiance Silver Corp. (TSXV:DEF). He has over 40 years of experience in the mining industry. Following 14 years with major mining companies Texasgulf Inc. and Boliden Inc., he focused on exploration in Central America and Mexico as VP Exploration for Greenstone Resources and Eldorado Gold Corp. leading to the exploration and development of five gold deposits including the Oronorte Gold Mine in Colombia; the open pit, heap leach Santa Rosa Gold Mine in Panama; the 60,000 oz per year La Libertad Gold Mine in Nicaragua; and the 40,000 oz per year San Andres Gold Mine in Honduras. Subsequently as President and CEO, Mr. Winfield has led companies exploring primarily in South America for the last twenty years.

Other Reporting Issuer Experience

The following table sets out the directors and officers of the Resulting Issuer that are, or have been within the last five years, directors or officers of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Market	Position Held	Term From - To
David H. Brett	Pacific Minerals Bay Ltd. (PBM.V)	TSXV	President and Chief Executive Officer	2007 - present
			Director	1995 - present
	Engold Mines Ltd. (EGM.V)	TSXV	President, Chief Executive Officer and Director	2014 – present
Evilio J. Gomez-Garcia	Auro Resources Corp. (ARU.V)	TSXV	Director Chief Executive Officer	2011 – 2013 2012 – 2012
Bruce Winfield	Defiance Silver Corp. (DEF.V)	TSXV	President, Chief Executive Officer and Director	2011 - present

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Resulting Issuer none of the proposed directors, officers, or promoters of the Resulting Issuer is or has been, within the past ten years, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

To the knowledge of the Resulting Issuer no proposed director, officer or promoter of the Resulting Issuer has:

- (a) been subject to any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory- body, including a self-regulatory body that would be likely to be considered important to a reasonable security holder making a decision about the Qualifying Transaction.

Personal Bankruptcies

To the knowledge of the Resulting Issuer no proposed director, officer or promoter of the Resulting Issuer, or a personal holding company of any of them, has, within the ten years prior to the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies engaged in mineral exploration, development and mining and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under British Columbia corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. All conflicts of interest will be resolved in accordance with the BCBCA. Any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members may be submitted to the shareholders for their approval.

Executive Compensation

Compensation Discussion and Analysis

Pursuant to TSXV Policy 2.4, and until Inovent completes a Qualifying Transaction, no compensation of any kind may be provided to Inovent's directors or officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of Inovent Options pursuant to the Inovent Option Plan.

Inovent chooses to issue Inovent Options to maintain a competitive position in the CPC marketplace and because it is the only permissible form of compensation that may be awarded to its directors and officers while it is a CPC.

The objective and purpose of any Inovent Options awards is to encourage Inovent's officers and directors to find a Qualifying Transaction that is in the best interest of the shareholders. If a Qualifying Transaction is not successfully completed, or if one is completed that does not increase the value of the Inovent Common Shares during the term of the Inovent Options, the directors and officers will receive no benefit, or very little benefit, from any Inovent Options.

With respect to the grant of Inovent Options, the Chief Executive Officer recommends to the Inovent Board the individual equity incentive awards for each executive officer and director. The Inovent Board then considers these recommendations when making final decisions on compensation for those executive officers. The Inovent Board does not use formulas for each grant, but is restricted by the policies of the TSXV and the Inovent Option Plan in how many Inovent Options it may grant. Options under the Inovent Option Plan are awarded to executive officers by the Inovent Board based upon the level of responsibility and contribution of the individuals towards Inovent's goals and objectives. Previous grants of Inovent Options to a particular individual will be taken into account when considering future grants of Inovent Options to that particular individual.

Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans

Inovent currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officers or directors.

Named Executive Officers

The following is a summary of the compensation paid by Inovent to its NEOs for the the period from Inovent's incorporation on August 23, 2012 to March 31, 2013, the years ended March 31, 2014 and 2015, and the 9-month period ended September 30, 2016. NEOs include Inovent's Chief Executive Officer, Inovent's Chief Financial Officer and the other three most highly compensated executive officers, provided that disclosure is not required for those executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation did not exceed \$150,000.

Inovent had two NEOs during the periods addressed in the table immediately below, being David H. Brett, Chief Executive Officer, and George Alfio Pietrobon, Chief Financial Officer.

Summary Compensation Table

The following table and the notes thereto set forth information concerning total compensation for the NEOs for for the the period from Inovent's incorporation on August 23, 2012 to March 31, 2013, the years ended March 31, 2014 and 2015, and the 9-month period ended September 30, 2016..

Name and principal position	Period ended March 31 (except where noted)	Salary	Share-based awards	Option based awards ⁽¹⁾	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
					Annual incentive plan	Long-term incentive plan			
David H. Brett CEO	9 mos. to Sept. 30/16	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	\$7,183	Nil	Nil	Nil	Nil	\$7,183
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
George Alfio Pietrobon CFO	9 mos. to Sept. 30/16	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	\$7,183	Nil	Nil	Nil	Nil	\$7,183
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model using assumptions based on expected life, risk free rate, expected dividend yield and expected volatility.

Outstanding Share-Based Awards and Option-Based Awards

Long-term incentives in the form of Inovent Options are intended to align the interests of Inovent's directors and officers with those of its shareholders and to provide a long-term incentive that rewards these individuals for their contribution to the creation of shareholder value. The Inovent Option Plan is administered by the Inovent Board. In establishing the number of Inovent Options to be granted to NEOs, reference is made to the number of stock options granted to officers of other similar publicly traded companies. The Inovent Board also considers the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new Inovent Options. The level of effort, time, responsibility, ability, experience and level of commitment of the executive officer is also considered in determining the level of incentive stock option compensation.

The following table shows all awards granted to Named Executive Officers and outstanding as at September 30, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
David H. Brett CEO	96,000	\$0.10	December 18, 2018	Nil	Nil	N/A	N/A
George Alfio Pietrobon CFO	96,000	\$0.10	December 18, 2018	Nil	Nil	N/A	N/A

Incentive Plan Awards – Value Vested or Earned During Fiscal Year

The following table shows the value from incentive plans vested or earned by NEOs during the year ended March 31, 2014.

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
David H. Brett CEO	\$7,183	Nil	Nil
George Alfio Pietrobon CFO	\$7,183	Nil	Nil

Note:

(1) The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model using assumptions based on expected life, risk free rate, expected dividend yield and expected volatility.

Termination and Change of Control Benefits

Inovent has no employment contracts with its NEOs and therefore has no plans or arrangements in respect of any compensation received or that may be received by the NEOs in the fiscal year ended March 31, 2014, or the current fiscal year in respect of compensating such NEO in the event of termination (i.e. as a result of resignation, retirement or change in control) or in the event of change of responsibilities following a change in control.

Director Compensation

The compensation arrangements for directors of Inovent are similar to those with respect to Inovent's NEOs in that the directors are also granted Inovent Options as compensation. Inovent believes granting of Inovent Options aligns the directors' incentives with shareholder interests because these awards have value only if the stock price increases over time.

Director Compensation Table

The following table and the notes thereto set forth information concerning total compensation for the directors of Inovent (excluding directors who are also NEOs) for the year ended March 31, 2014.

Name	Fees earned	Share-based awards	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation	Pension Value	All other compensation	Total compensation
Ari M. Shack	Nil	Nil	\$7,183	Nil	Nil	Nil	\$7,183
Evilio J. Gomez-Garcia	Nil	Nil	\$7,183	Nil	Nil	Nil	\$7,183
Robert James Baylis	Nil	Nil	\$7,183	Nil	Nil	Nil	\$7,183

Note:

(1) The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model using assumptions based on expected life, risk free rate, expected dividend yield and expected volatility.

Outstanding Share-Based Awards and Option-Based Awards

During the year ended March 31, 2014, Inovent granted an aggregate of 288,000 Inovent Options to its directors (excluding directors who are also NEOs).

The following table shows all option-based and share-based awards granted to Inovent's directors (excluding directors who are also NEOs) issued and outstanding on March 31, 2014.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Ari M. Shack <i>Director</i>	96,000	\$0.10	December 18, 2018	Nil	Nil	N/A	N/A
Evilio J. Gomez-Garcia <i>Director</i>	96,000	\$0.10	December 18, 2018	Nil	Nil	N/A	N/A
Robert James Baylis <i>Director</i>	96,000	\$0.10	December 18, 2018	Nil	Nil	N/A	N/A

Incentive Plan Awards – Value Vested or Earned During Fiscal Year

The following table shows the value from incentive plans vested or earned by Inovent's directors (excluding directors who are also NEOs) during the year ended March 31, 2014.

Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Ari M. Shack <i>Director</i>	\$7,183	Nil	Nil
Evilio J. Gomez-Garcia <i>Director</i>	\$7,183	Nil	Nil
Robert James Baylis <i>Director</i>	\$7,183	Nil	Nil
Bruce Winfield <i>Director</i>	Nil	Nil	Nil

Note:

- (1) The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model using assumptions based on expected life, risk free rate, expected dividend yield and expected volatility.

Interests of Insiders

Except as disclosed herein, no Insider, promoter or Control Person of the Company and no Associate or Affiliate of the same, has any interest in the Qualifying Transaction other than that which arises from the holding of securities.

Financial Information

Incorporated in this Filing Statement are the audited financial statements of the Company for the period from incorporation on August 23, 2012 to March 31, 2016 and the unaudited interim financial statements of the Company for the six month period ended September 30, 2016. The Company's financial statements are attached to this Filing Statement as Schedules "A" and "B".

	As at September 30, 2016 (unaudited)	As at March 31, 2016 (audited)
Working capital	\$(36)	\$(60,400)
Total assets	\$74,344	\$94,478

Stock Exchange Listing

The Company's Shares were listed for trading on the Exchange on December 18, 2013 as a CPC under the trading symbol "IVQ". The trading symbol is expected to change to "MINE" upon Completion of the Qualifying Transaction.

The Shares were halted on June 30, 2014 pending the announcement of a proposed Qualifying Transaction (the "**Jetlines QT**") Canada Jetlines Ltd. ("**Jetlines**") disclosed in the Company's July 2, 2014 press release, and described in greater detail in the Company's preliminary long form prospectus dated November 24, 2014 (the "**2014 Prospectus**"), both of which are available under the Company's profile on

SEDAR. As disclosed by the Company in its February 10, 2015, the Jetlines QT was terminated without completing, and the 2014 Prospectus was subsequently withdrawn.

On September 3, 2015, the Company and Jetlines announced a settlement of their dispute arising out of the termination of the Jetlines QT. As disclosed in the Company's news release dated October 1, 2015 that settlement transaction has completed. Under the terms of that settlement, Jetlines paid Inovent a one-time cash payment of \$105,000 and issued to Inovent 200,000 warrants entitling Inovent to purchase 200,000 Jetlines common shares at price of \$0.50 per share for a period of two years ending September 30, 2017. In accordance with the terms of the settlement, Inovent and Jetlines consented to the dismissal of the related legal proceedings and the general security agreement Jetlines had granted to Inovent over Jetlines' assets was discharged.

The Shares have remained halted, following the completion of the settlement with Jetlines, while the Company has been seeking a new Qualifying Transaction. The closing price of the Shares on the Exchange prior to the halting of the Shares was \$0.07 per Share.

On January 19, 2017, the Company received the Exchange's conditional acceptance of the Qualifying Transaction, with the Exchange's final acceptance being subject to the fulfilment of customary closing conditions.

For additional information regarding the Company's stock exchange listing see the discussion below under "Information Concerning the Company –General Development of the Business –History".

Conflicts of Interest

The directors and officers of the Company are also involved in other projects including other projects in the mining industry and may have a conflict of interest in allocating their time between the business of the Resulting Issuer and other businesses or projects in which they are, or become involved.

Summary of Relationship between the Company, the Vendors and Professional Persons

No direct or indirect interest in the Company, the Vendors or the Property is held or will be received by a "professional person" and no "professional person" has a beneficial interest, direct or indirect in any securities of the Company or any associate or affiliate of either of them. A "professional person" is any person whose profession gives authority to a statement made by the person in the person's professional capacity and includes a barrister and solicitor, a public accountant, an appraiser, valuator, auditor, engineer or geologist as referred to in section 106(2) of the *Securities Rules* (British Columbia), a responsible solicitor or any partner of a responsible solicitor's firm.

Auditor, Transfer Agent and Registrar

The auditors of Inovent are Wolrige Mahon LLP, Ninth Floor, 400 Burrard Street, Vancouver, British Columbia, V6C 3B7. The registrar and transfer agent of the Shares of the Resulting Issuer will be Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of

the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an Associate or Affiliate of the Resulting Issuer.

Opinions

The Company engaged Peters to prepare the Technical Report in accordance with the requirements of National Instrument 43-101. The material under the heading “Information Concerning the King’s Point Property” was derived from information contained in the Technical Report. A copy of the Technical Report may be viewed on SEDAR at www.sedar.com under the profile of the Company.

Other Material Facts

There are no other material facts relating to the Qualifying Transaction not disclosed elsewhere in this Filing Statement.

CERTIFICATE OF THE COMPANY

The contents of this Filing Statement have been approved and the filing of it to the appropriate agencies has been authorized by the board of directors of Inovent Capital Inc. The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Inovent Capital Inc. assuming completion of the Qualifying Transaction and the Private Placement.

DATED: January 20, 2017

"David H. Brett"

"George Alfio Pietrobon"

David H. Brett, Chief Executive Officer
and Director

George Alfio Pietrobon, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Evilio J. Gomez-Garcia"

"Ari M. Shack"

Evilio J. Gomez-Garcia , Director

Ari M. Shack , Director

ACKNOWLEDGEMENT -- PERSONAL INFORMATION

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each director and officer of the Company to

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B); and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

DATED: January 20, 2017

"David H. Brett"

David H. Brett, Chief Executive Officer and
Director

SCHEDULE "A"
TO
INOVENT CAPITAL INC. FILING STATEMENT, DATED JANUARY 20, 2017
FOR A QUALIFYING TRANSACTION

Financial Statements of
INOVENT CAPITAL INC.
(A CAPITAL POOL COMPANY)
YEARS ENDED MARCH 31, 2016 AND 2015
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inovent Capital Inc.

We have audited the accompanying financial statements of Inovent Capital Inc., which comprise the statements of financial position as at March 31, 2016 and 2015, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inovent Capital Inc. as at March 31, 2016 and 2015, 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 to the financial statements which describes the uncertainty as to whether or not Inovent Capital Inc. will complete a Qualifying Transaction as defined by TSX Venture Exchange policy 2.4. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about Inovent Capital Inc.'s ability to continue as a going concern.

Wolrige Mahon LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

July 28, 2016
Vancouver, B.C.

INOVENT CAPITAL INC.
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31

	2016		2015	
ASSETS				
Current				
Cash	\$	79,478	\$	13,089
Temporary investment (Note 11)		15,000		-
Accounts receivable		-		800
Refundable deposit (Note 11)		-		120,000
	\$	94,478	\$	133,889
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$	154,878	\$	152,445
SHAREHOLDERS' EQUITY				
Share capital (Note 6)	\$	275,046	\$	275,046
Reserve (Note 6)		49,420		49,420
Deficit		(384,866)		(343,022)
	\$	(60,400)	\$	(18,556)
	\$	94,478	\$	133,889

Nature of operations and going concern (Note 1)
 Significant event (Note 11)
 Subsequent event (Note 12)

Approved and authorized by the Board on July 28, 2016

On behalf of the Board:

"Ari Shack" Director

"George Pietrobon" Director

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

INOVENT CAPITAL INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
EXPENSES		
Filing fees	\$ 8,486	\$ 11,085
Interest and bank charges	119	146
Investor communications	2,023	17,691
Listing fees	5,985	15,160
Office costs	399	589
Professional fees	24,832	166,910
	\$ 41,844	\$ 211,581
Loss from transaction (Note 11)	-	25,000
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (41,844)	\$ (236,581)
LOSS PER COMMON SHARE		
Basic and diluted	\$ (0.009)	\$ (0.049)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic and diluted	4,864,800	4,864,800

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

INOVENT CAPITAL INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	Number of Shares	Share Capital	Reserve	Deficit	Total
Balance at March 31, 2014	4,864,800	\$ 275,046	\$ 49,420	\$ (106,441)	\$ 218,025
Net and comprehensive loss for the year	-	-	-	(236,581)	(236,581)
Balance at March 31, 2015	4,864,800	\$ 275,046	\$ 49,420	\$ (343,022)	\$ (18,556)
Net and comprehensive loss for the year	-	-	-	(41,844)	(41,844)
Balance at March 31, 2016	4,864,800	\$ 275,046	\$ 49,420	\$ (384,866)	\$ (60,400)

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

INOVENT CAPITAL INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (41,844)	\$ (236,581)
Changes in non-cash working capital items:		
Increase (decrease) in accounts receivable	800	(800)
Increase in accounts payable and accrued liabilities	2,433	139,265
Net cash used in operating activities	\$ (38,611)	\$ (98,116)
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment of (funding of) refundable deposit (Note 11)	\$ 105,000	\$ (120,000)
Net cash provided by (used in) investing activities	\$ 105,000	\$ (120,000)
CHANGE IN CASH FOR THE YEAR	\$ 66,389	\$ (218,116)
CASH AT THE BEGINNING OF THE YEAR	\$ 13,089	\$ 231,205
CASH AT THE END OF THE YEAR	\$ 79,478	\$ 13,089

Supplemental cash flow information (Note 8)

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

1. NATURE OF OPERATIONS

Inovent Capital Inc. (the "Company" or "Inovent") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012. The Company intends to carry on business as a "Capital Pool Company" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). On December 18, 2013, the Company completed its initial public offering ("IPO"). As of March 31, 2016, the Company had no business operations. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Where an acquisition or participation ("Qualifying Transaction") is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange.

Since the Company did not complete a Qualifying Transaction prior to this date, the Exchange suspended the Company's securities from trading in accordance with Exchange Policy 2.4.

The Company has been granted an extension to September 21, 2016 to complete its Qualifying Transaction. However there is no assurance that the Company will be able to complete a Qualifying Transaction or that it will be able to secure the necessary financing to complete a Qualifying Transaction.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and 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. For the year ended March 31, 2016, the Company had incurred operating losses in the amount of \$41,844 accumulated losses of \$384,866 and a working capital deficiency of \$60,400. There is significant doubt the Company will have sufficient working capital to meet its ongoing financial obligations for the coming year. These matters create material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's registered office is Suite 1130 - 400 Burrard Street, Vancouver, British Columbia, Canada.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

These financial statements have been prepared on a historical costs basis, except for certain financial instruments that are measured at fair values. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PRESENTATION (cont'd)

Basis of Measurement (cont'd)

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Critical estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ significantly from these estimates.

Critical judgements

Significant judgements made by management affecting the financial statements include:

Going concern

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company as previously discussed in Note 1.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of statement of financial position could be impacted.

Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates made by management affecting the financial statements include:

Share-based payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets classified as held-to-maturity or loans and receivables and financial liabilities other than those recorded at fair value through profit and loss, are measured at fair value upon initial recognition, as adjusted for transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability, and are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Available-for-sale instruments are measured at fair value, as adjusted for transaction costs directly attributable to the acquisition of the financial asset, with the unrealized gains and losses recognized in other comprehensive income ("OCI"), except for impairment losses and foreign exchange gains and losses on monetary available-for-sale instruments which are recognized in profit or loss. When available-for-sale instruments are derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment.

Instruments classified as fair value through profit and loss are measured at fair value, with the unrealized gains and losses recognized in profit or loss.

Deferred Financing Charges

Costs directly identifiable with the raising of capital are charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs are charged against the related capital stock or charged to operations if the shares are not issued.

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 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.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor 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 statement of financial position date and which are expected to be applicable in the period(s) in which realization or settlement of the carrying amount of assets and liabilities is expected to occur.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income taxes (cont'd)

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share-based compensation

The Company grants stock options to buy common shares of the Company to directors and officers. The Company may also issue stock options to agents as finders' fees. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as either share-based compensation expense, or as share issuance costs when awarded to agents as finders' fees, with a corresponding amount recognized for each of share-based compensation and share issuance costs, in reserve. The fair value includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserve account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, these share-based payments are measured at the fair value of goods or services received.

Share capital

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

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following are new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements:

IFRS 9 Financial Instruments (effective for years beginning on or after January 1, 2018)

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 - Financial Instruments as a first phase in its ongoing project to replace IAS 39.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

IAS 1 – Presentation of Financial Statements (effective for years beginning on or after January 1, 2016)

An amendment was issued to clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

5. FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

The Company's financial instruments consist of cash, temporary investment and accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which are measured at amortized cost. The Company's temporary investment is classified as fair value through profit and loss. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

The carrying value of cash and accounts payable and accrued liabilities as at March 31, 2016 approximate their fair value due to their short term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices 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 or indirectly;

Level 3 – Inputs that are not observable for the asset or liability.

The fair value of the temporary investment is based on level 2 inputs of the fair value hierarchy. The fair value of the temporary investment was based on the settlement terms of the transaction described in Note 11.

5. FINANCIAL INSTRUMENTS AND RISKS (cont'd)

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying value of its financial instruments shown on the statement of financial position and arises from the Company's cash, which is held with high credit quality financial institutions.

Market risk:

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of currency risk, interest rate risk and other price risk. The Company is not exposed to any significant market risk.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do at excessive cost. As at March 31, 2016, the Company has cash of \$79,478 to settle liabilities of \$154,878, which are subject to normal trade terms.

The Company still does not have sufficient working capital to meet its ongoing financial obligations for the coming year.

6. SHARE CAPITAL

- (a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.
- (b) Issued and Outstanding

There were no share capital transactions during the years ended March 31, 2016 and 2015.

Total shares held in escrow as at March 31, 2016 and 2015 are 2,300,000. Escrow shares will be released as follows:

- 10% upon completion of the Company's Qualifying Transaction; and
- 15% on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

6. SHARE CAPITAL (cont'd)

c) Agent's Options

In connection with the IPO, the Company granted 256,840 agent options. Each option entitled the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 2 years. The Agent's Options have now expired.

The following table summarizes the continuity of the Company's agent's options:

	Number of shares	Weighted average exercise price	Remaining contractual life (years)
Outstanding and exercisable, March 31, 2014	256,840	\$ 0.10	1.72
Outstanding and exercisable, March 31, 2015	256,840	\$ 0.10	0.72
Expired	(256,840)	\$ (0.10)	-
Outstanding and exercisable, March 31, 2016	-	\$ -	-

d) Stock Options

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to Directors, Officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 5 years from the date of grant.

In connection with the IPO, the Company granted 480,000 options to certain directors and officers of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 5 years, expiring December 18, 2018.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price	Remaining contractual life (years)
Outstanding and exercisable, March 31, 2014	480,000	\$ 0.10	4.72
Outstanding and exercisable, March 31, 2015	480,000	\$ 0.10	3.72
Outstanding and exercisable, March 31, 2016	480,000	\$ 0.10	2.72

7. RELATED PARTY TRANSACTIONS

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

There were no related party transactions during the years ended March 31, 2016 and 2015.

8. SUPPLEMENTAL CASH FLOW INFORMATION

There was no cash paid for interest or income taxes for the years ended March 31, 2016 and 2015.

During the year ended March 31, 2016, the Company completed the settlement agreement with Canada Jetlines Ltd. for \$105,000 – See Note 11 – Significant Event.

During the year ended March 31, 2015 the Company had no significant non-cash transactions.

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly provided by proceeds from the issuance of common shares. The net proceeds raised were only sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds will be required to finance the Company's Qualifying Transaction.

The Company is not subject to any externally-imposed capital requirements.

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2016	2015
Loss and comprehensive loss for the year	\$ (41,844)	\$ (236,581)
Statutory income tax rate	26%	26%
Expected income tax (recovery)	\$ (10,880)	\$ (61,511)
Permanent Difference	880	(489)
Change in unrecognized deductible temporary differences	10,000	62,000
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's unrecognized deferred tax assets are as follows:

	2016	2015
Deferred Tax Assets (liabilities)		
Share issue costs	\$ 9,000	\$ 14,000
Non-capital losses available for future period	104,000	89,000
	113,000	103,000
Unrecognized deferred tax assets	(113,000)	(103,000)
Net deferred tax assets	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$401,500 which will expire between 2033 and 2036 and share issue costs of approximately \$35,000 which will expire in 2018.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Non capital losses expire as follows:

\$ 15,000	2033
73,000	2034
254,100	2035
<u>59,400</u>	2036
<u>\$ 401,500</u>	

11. SIGNIFICANT EVENT

Letter of Intent

The Company entered into a letter of intent ("LOI") with Canada Jetlines Ltd. ("Jetlines") on June 29, 2014, pursuant to which the parties agreed to negotiate the terms of a business combination transaction (the "Transaction"). Inovent intended for the Transaction to constitute its Qualifying Transaction pursuant to the policies of the Exchange

Upon execution of the LOI, Inovent advanced to Jetlines a non-refundable deposit of \$25,000 and a refundable deposit of \$120,000, to be refundable if the Transaction was terminated.

Amalgamation Agreement

Inovent and Jetlines entered into an amalgamation agreement on September 12, 2014, which was amended on October 2, 2014, November 19, 2014 and December 16, 2014 (collectively the "Amalgamation Agreement") which set out the terms on which the Amalgamation was to occur to form an entity to be named "Canada Jetlines Ltd."

Purported Termination of Amalgamation Agreement

On February 6, 2015 Jetlines provided notice to Inovent purporting to terminate the Amalgamation Agreement.

Inovent rejected Jetlines' purported termination of the Amalgamation Agreement and Jetlines' right, under the Amalgamation Agreement, to effect such a termination. Inovent worked with its legal counsel to pursue appropriate legal means to enforce the Amalgamation Agreement and for the repayment of the Refundable Deposit and to be compensated for the substantial damages caused to Inovent as result of Jetlines' termination of the Amalgamation Agreement and various other breach of the terms of the Amalgamation Agreement by Jetlines.

Settlement of Litigation

On September 30, 2015, the Company and Jetlines completed their litigation settlement agreement whereby Jetlines settled the refundable deposit in full by paying the Company \$105,000 and issuing 200,000 warrants entitling the Company to purchase 200,000 Jetlines common shares at price of \$0.50 per share for a period of two years ending September 30, 2017. The warrants were assessed at a fair value of \$15,000 being the difference between the total refundable deposit balance and the amount of cash received from Jetlines.

12. SUBSEQUENT EVENT

Subsequent to year end, the Exchange accepted the Company's application for an extension to complete a Qualifying Transaction ("QT"). Inovent has until September 21, 2016 to complete a QT or complete a financing, satisfactory to the Exchange, which will facilitate the Company making a further extension request.

Prior to September 21, 2016, the Company is required to complete a QT with this requirement being satisfied by the Exchange issuing a Final Exchange Bulletin that evidences final Exchange Acceptance and the closing of the QT. If this requirement is not met, then the Company's shares will be transferred to the NEX board of the Exchange.

Financial Statements of
INOVENT CAPITAL INC.
(A CAPITAL POOL COMPANY)
YEARS ENDED MARCH 31, 2015 AND 2014
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inovent Capital Inc.

We have audited the accompanying financial statements of Inovent Capital Inc., which comprise the statements of financial position as at March 31, 2015 and 2014, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inovent Capital Inc. as at March 31, 2015 and 2014, 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 the financial statements which describes the uncertainty as to whether or not Inovent Capital Inc. will complete a Qualifying Transaction within twenty-four months from the date its shares are listed on the TSX Venture Exchange. These conditions along with others noted in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about Inovent Capital Inc.'s ability to continue as a going concern.

"Wolrige Mahon LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

July 29, 2015
Vancouver, B.C.

INOVENT CAPITAL INC.
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31

	2015		2014	
ASSETS				
Current				
Cash	\$	13,089	\$	231,205
Accounts receivable		800		-
Refundable deposit (Note 11)		120,000		-
	\$	133,889	\$	231,205
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$	152,445	\$	13,180
SHAREHOLDERS' EQUITY				
Share capital (Note 6)	\$	275,046	\$	275,046
Reserve (Note 6)		49,420		49,420
Deficit		(343,022)		(106,441)
	\$	(18,556)	\$	218,025
	\$	133,889	\$	231,205

Nature of operations and going concern (Note 1)
Significant event (Note 11)

Approved and authorized by the Board on July 29, 2015

On behalf of the Board:

"David Brett"
Director

"George Pietrobon"
Director

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

INOVENT CAPITAL INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	2015		2014
EXPENSES			
Filing fees	\$ 11,085	\$	11,870
Interest and bank charges	146		299
Investor communications	17,691		441
Listing fees	15,160		15,450
Office costs	589		2,556
Professional fees	166,910		20,971
Share-based compensation (Notes 6 and 7)	-		35,915
Transfer agent fees	-		4,475
	\$ 211,581	\$	91,536
Loss from transaction (Note 11)	25,000		-
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (236,581)	\$	(91,536)
LOSS PER COMMON SHARE			
Basic and diluted	\$ (0.049)	\$	(0.030)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
Basic and diluted	4,864,800		3,023,765

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

INOVENT CAPITAL INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	Number of Shares	Share Capital	Reserve	Deficit	Total
Balance at March 31, 2013	2,300,000	115,000	-	(14,905)	100,095
Share issued for IPO	2,564,800	256,480	-	-	256,480
Share issuance costs					
– cash	-	(82,929)	-	-	(82,929)
Share issuance costs					
– agent’s options (Note 6)	-	(13,505)	13,505	-	-
Fair value of options (Note 6)	-	-	35,915	-	35,915
Net loss for the year	-	-	-	(91,536)	(91,536)
Balance at March 31, 2014	4,864,800	\$ 275,046	\$ 49,420	\$ (106,441)	\$ 218,025
Net loss for the year				(236,581)	(236,581)
Balance at March 31, 2015	4,864,800	\$ 275,046	\$ 49,420	\$ (343,022)	\$ (18,556)

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

INOVENT CAPITAL INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (236,581)	\$ (91,536)
Items not affecting cash:		
Share-based compensation	-	35,915
Changes in non-cash working capital items:		
Increase in accounts receivable	(800)	-
Increase in accounts payable and accrued liabilities	139,265	2,180
Net cash used in operating activities	\$ (98,116)	\$ (53,441)
CASH FLOWS FROM INVESTING ACTIVITIES		
Refundable deposit (Note 11)	\$ (120,000)	-
Net cash used in operating activities	\$ (120,000)	\$ -
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for Initial Public Offering	\$ -	\$ 256,480
Share issuance costs	-	(72,929)
Net cash provided by (used in) financing activities	\$ -	\$ 183,551
CHANGE IN CASH FOR THE YEAR	\$ (218,116)	\$ 130,110
CASH AT THE BEGINNING OF THE YEAR	\$ 231,205	\$ 101,095
CASH AT THE END OF THE YEAR	\$ 13,089	\$ 231,205

Supplemental cash flow information (Note 8)

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

1. NATURE OF OPERATIONS

Inovent Capital Inc. (the "Company" or "Inovent") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012. The Company intends to carry on business as a "Capital Pool Company" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). On December 18, 2013, the Company completed its initial public offering ("IPO") (Note 6). As of March 31, 2015, the Company had no business operations however did enter into a definitive amalgamation agreement to acquire an interest in a business or assets as described in Note 11 – SIGNIFICANT EVENT. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Where an acquisition or participation ("Qualifying Transaction") is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Company's shares from trading should it not meet those requirements.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and 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. For the year ended March 31, 2015, the Company had incurred operating losses in the amount of \$236,581, accumulated losses of \$343,022 and a working capital deficiency of \$18,556. However there is significant doubt the Company will have sufficient working capital to meet its ongoing financial obligations for the coming year. These matters create material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's registered office is Suite 1130 - 400 Burrard Street, Vancouver, British Columbia, Canada.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

These financial statements have been prepared on a historical costs basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

2. BASIS OF PRESENTATION (cont'd)

Critical estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ significantly from these estimates.

Critical judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company as previously discussed in Note 1.

Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates made by management affecting the financial statements include:

Share-based payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash includes cash on hand, and deposits held on call with a bank.

Financial instruments

Financial assets held-to-maturity, loans and receivables and financial liabilities other than those recorded at fair value through profit and loss, are measured at fair value upon initial recognition, as adjusted for transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability, and are subsequently measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value, as adjusted for transaction costs directly attributable to the acquisition of the financial asset, with the unrealized gains and losses recognized in other comprehensive income ("OCI"), except for impairment losses and foreign exchange gains and losses on monetary available-for-sale instruments which are recognized in the statement of loss and comprehensive loss. When available-for-sale instruments are no longer recognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of loss and comprehensive loss as a reclassification adjustment. Instruments classified as fair value through profit and loss are measured at fair value, with the unrealized gains and losses recognized in the statement of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred Financing Charges

Costs directly identifiable with the raising of capital is charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

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 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.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; 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 statement of financial position date and which are expected to be applicable in the period(s) in which realization or settlement of the carrying amount of assets and liabilities is expected to occur.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share-based compensation

The Company grants stock options to buy common shares of the Company to directors and officers. The Company may also issue stock options to agents as finders' fees. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense, or as share issuance costs when awarded to agents as finders' fees, with a corresponding amount recognized for each of share-based compensation and share issuance costs, in reserve. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The other equity reserve account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Share capital

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

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following are new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements:

IFRS 2 Share-based payment (effective for years beginning on or after July 1, 2014)

In December 2013, the IASB issued an amendment to the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' which were previously part of the definition of 'vesting condition'.

IFRS 3 Business combinations (effective for years beginning on or after July 1, 2014)

In December 2013, the IASB issued amendments clarifying that a contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date and clarifying that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 9 Financial Instruments (effective for years beginning on or after January 1, 2018, tentatively)

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

IAS 1 – Presentation of Financial Statements (effective for years beginning on or after January 1, 2016)

An amendment was issued to clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

IAS 24 Related party disclosure (effective for years beginning on or after July 1, 2014)

In December 2013, the IASB issued an amendment that clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

5. FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

The Company's financial instruments consist of cash, refundable deposit and accounts payable and accrued liabilities. The Company designated its cash and refundable deposit as loans and receivables, which is measured at amortized cost. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, refundable deposit and accounts payable and accrued liabilities as at March 31, 2015 approximate their fair value due to their short term nature.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying value of its financial instruments shown on the statement of financial position and arises from the Company's cash, which is held with high credit quality financial institutions, and the refundable deposit which is due pursuant to terms of the agreement noted in Note 11. The Company's maximum exposure to credit risk is the carrying value of the refundable deposit. Recoverability of the refundable deposit is based on the outcome of the matter noted in Note 11 and the debtor's availability of funds to repay the amount owed to the Company.

Market risk:

Market risk consists of currency risk, interest rate risk and other price risk. Currency risk is the risk that exposes the Company to financial risk related to the fluctuation in exchange rates. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency denominated financial assets or liabilities. It also holds no financial instruments that expose it to other price risk.

Interest rate risk:

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument with fluctuate because of changes in market interest rates. The Company holds cash with banks in regular business accounts that do not bear interest at significant rates that would expose the Company to any significant risk. The Company does not have any interest-bearing debt.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do at excessive cost. As at March 31, 2015, the Company has cash of \$13,089 to settle liabilities of \$152,445, which have contractual maturities of less than 90 days and are subject to normal trade terms.

If the Refundable Deposit as described in Note 11 is repayable as the Company claims, the Company will still not have sufficient working capital to meet its ongoing financial obligations for the coming year.

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

6. SHARE CAPITAL

- (a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.
- (b) Issued and Outstanding

There were no share capital transactions during the year ended March 31, 2015

During the year ended March 31, 2014, the Company completed its IPO. A total of 2,564,800 common shares were issued at \$0.10 per share for gross proceeds of \$256,480. In connection with the IPO, the Company incurred cash issue costs of \$82,929, of which \$10,000 were paid for in the prior year and recorded as prepaid expenses and deferred finance charges. The Company issued 256,480 agent's options in connection with the IPO. Each agent option is exercisable to acquire one common share of the Company for a period of 2 years at an exercise price of \$0.10 per share. The fair value attributable to these agent's options was \$13,505 and has been recorded as share issue costs.

Total shares held in escrow as at March 31, 2015 and 2014 are 2,300,000. Escrow shares will be released as follows:

- 10% upon completion of the Company's Qualifying Transaction
- 15% on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release

c) Agent's Options

In connection with the IPO, the Company granted 256,840 options. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 2 years.

The following table summarizes the continuity of the Company's agent's options:

	Number of shares	Weighted average exercise price	Remaining contractual life (years)
Outstanding, March 31, 2013	-	\$ -	
Granted	256,840	0.10	1.72
Outstanding and exercisable, March 31, 2014	256,840	\$ 0.10	1.72
Outstanding and exercisable, March 31, 2015	256,840	\$ 0.10	0.72

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

6. SHARE CAPITAL (cont'd)

c) Agent's Options (cont'd)

The fair value of agent's options granted was \$Nil (2014 – \$13,505) and was determined using the Black-Scholes Option Pricing Model with the following assumptions:

	2015	2014
Market price	-	\$ 0.10
Risk-free rate	-	1.12%
Expected life	-	2 years
Annualized volatility	-	100.00%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

d) Stock Options

In connection with the IPO, the Company granted 480,000 options to certain directors and officers of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 5 years.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price	Remaining contractual life (years)
Outstanding, March 31, 2013	-	\$ -	-
Granted	480,000	0.10	4.72
Outstanding and exercisable, March 31, 2014	480,000	\$ 0.10	4.72
Outstanding and exercisable, March 31, 2015	480,000	\$ 0.10	3.72

The fair value of options issued was \$Nil (2014 – \$35,915) and was determined using the Black-Scholes Option Pricing Model with the following assumptions:

	2015	2014
Market price	-	\$ 0.10
Risk-free rate	-	1.82%
Expected life	-	5 years
Annualized volatility	-	100.00%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

7. RELATED PARTY TRANSACTIONS

Related party transactions for the year ended March 31, 2015 are as follows:

- a) The Company incurred share-based payments of \$Nil (2014 - \$35,915) on options which were granted to various directors and officers of the Company (Note 6(d)).

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The remuneration of directors and other members of key management personnel during the year ended March 31, 2015 was share-based compensation of \$ Nil (2014 - \$35,915).

Share-based payments are the fair value of options granted to key management personnel.

8. SUPPLEMENTAL CASH FLOW INFORMATION

There was no cash paid for interest or income taxes for the year ended March 31, 2015 or for the year ended March 31, 2014.

During the year ended March 31, 2015 the Company had no significant non-cash transactions.

During the year ended March 31, 2014 the Company had the following significant non-cash transactions:

- a) On December 13, 2013 the Company completed its IPO and in accordance with its accounting policies (Note 3) reclassified \$7,143 of prepaid expenses and \$2,857 of deferred financing charges to share capital as share issuance costs.
- b) In connection with the IPO, the Company issued agent's warrants. The value of the agent's warrants, \$13,505, was recorded as share issuance costs.

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The Company is not subject to any externally-imposed capital requirements.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2015	2014
Loss and comprehensive loss for the year	\$ (236,581)	\$ (91,536)
Expected income tax (recovery)	\$ (61,011)	\$ (23,799)
Permanent Difference	(489)	9,300
Share issue cost	-	(22,775)
Change in unrecognized deductible temporary differences	(62,000)	37,274
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's unrecognized deferred tax assets are as follows:

	2015	2014
Deferred Tax Assets (liabilities)		
Share issue costs	\$ 14,000	\$ 18,000
Non-capital losses available for future periods	89,000	23,000
	103,000	41,000
Unrecognized deferred tax assets	(103,000)	(41,000)
Net deferred tax assets	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$342,100 which will expire between 2033 and 2035 and share issue costs of approximately \$52,600 which will expire in 2018.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. INCOME TAXES (cont'd)

Non capital losses expire as follows:

15,000	2033
73,000	2034
<u>254,100</u>	<u>2035</u>
342,100	

11. SIGNIFICANT EVENT

Letter of Intent

The Company entered into a letter of intent ("LOI") with Canada Jetlines Ltd. ("Jetlines") on June 29, 2014, pursuant to which the parties agreed to negotiate the terms of a business combination transaction (the "Transaction"). Inovent intended for the Transaction to constitute its Qualifying Transaction pursuant to the policies of the TSXV.

Upon execution of the LOI, Inovent advanced to Jetlines a non-refundable deposit of \$25,000 and a secured refundable deposit of \$120,000, to be refundable if the Transaction was terminated.

Amalgamation Agreement

Inovent and Jetlines entered into an amalgamation agreement on September 12, 2014, which was amended on October 2, 2014, November 19, 2014 and December 16, 2014 (collectively the "Amalgamation Agreement") which set out the terms on which the Amalgamation was to occur to form an entity to be named "Canada Jetlines Ltd."

Purported Termination of Amalgamation Agreement

On February 6, 2015 Jetlines provided notice to Inovent purporting to terminate the Amalgamation Agreement.

Inovent has rejected Jetlines' purported February 6 termination of the Amalgamation Agreement and Jetlines' right, under the Amalgamation Agreement, to effect such a termination. Inovent is working with its legal counsel to pursue appropriate legal means available to it to enforce the Amalgamation Agreement and for the repayment of the Refundable Deposit and to be compensated for the substantial damages caused to Inovent as result of Jetlines' termination of the Amalgamation Agreement and various other breach of the terms of the Amalgamation Agreement by Jetlines. The Company is contingently liable for legal fees, subject to the outcome of the settlement.

Since the commencement of the conflict between Inovent and Jetlines, the parties have exchanged offers to settle the matter which is now before the courts.

Financial Statements of
INOVENT CAPITAL INC.
(A CAPITAL POOL COMPANY)
YEAR ENDED MARCH 31, 2014 AND PERIOD ENDED MARCH 31, 2013
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inovent Capital Inc.

We have audited the accompanying financial statements of Inovent Capital Inc., which comprise the statements of financial position as at March 31, 2014 and 2013, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the year ended March 31, 2014, and for the period from incorporation on August 23, 2012 to March 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inovent Capital Inc. as at March 31, 2014 and 2013, and its financial performance and its cash flows for the year ended March 31, 2014 and for the period from incorporation on August 23, 2012 to March 31, 2013 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the financial statements which describes the uncertainty as to whether or not Inovent Capital Inc. will complete a Qualifying Transaction within twenty-four months from the date its shares are listed on the TSX Venture Exchange. These conditions indicate the existence of a material uncertainty that may cast significant doubt about Inovent Capital Inc.'s ability to continue as a going concern.

"Wolrige Mahon LLP"

CHARTERED ACCOUNTANTS

June 6, 2014

Vancouver, B.C.



INOVENT CAPITAL INC.
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31

	2014	2013
ASSETS		
Current		
Cash	\$ 231,205	\$ 101,095
Prepaid legal expense	-	7,143
	231,205	108,238
Deferred financing charges (Note 3)	-	2,857
	\$ 231,205	\$ 111,095
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 13,180	\$ 11,000
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	\$ 275,046	\$ 115,000
Reserve (Note 6)	49,420	-
Deficit	(106,441)	(14,905)
	\$ 218,025	\$ 100,095
	\$ 231,205	\$ 111,095

Nature of operations and going concern (Note 1)

Approved and authorized by the Board on June 6, 2014;

On behalf of the Board:

"David Brett"

Director

"George Pietrobon"

Director

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

INOVENT CAPITAL INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED MARCH 31, 2014 AND THE PERIOD ENDED MARCH 31, 2013

	March 31, 2014	From incorporation on August 23, 2012 to March 31, 2013
EXPENSES		
Filing fees	\$ 11,870	\$ 2,800
Incorporation costs	--	700
Interest and bank charges	299	405
Listing fees	15,450	-
Office costs	2,556	-
Professional fees	20,971	11,000
Share-based compensation (Note 6 and 7)	35,915	-
Transfer agent fees	4,475	-
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	\$ (91,536)	\$ (14,905)
LOSS PER COMMON SHARE		
Basic and diluted	\$ (0.030)	\$ (0.007)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic and diluted	3,023,765	2,130,000

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

INOVENT CAPITAL INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2014 AND THE PERIOD ENDED MARCH 31, 2013

	Number of Shares	Share Capital	Reserve	Deficit	Total
Balance at August 23, 2012	-	\$ -	\$ -	\$ -	\$ -
Shares issued for cash	2,300,000	115,000	-	-	115,000
Deficit	-	-	-	\$ (14,905)	(14,905)
Balance at March 31, 2013	2,300,000	115,000	-	(14,905)	100,095
Share issued for IPO	2,564,800	256,480	-	-	256,480
Share issuance costs					
— cash	-	(82,929)	-	-	(82,929)
Share issuance costs					
— agent's options (Note 6)	-	(13,505)	13,505	-	-
Fair value of options (Note 6)	-	-	35,915	-	35,915
Deficit	-	-	-	(91,536)	(91,536)
Balance at March 31, 2014	4,864,800	\$ 275,046	\$ 49,420	\$ (106,441)	\$ 218,025

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

INOVENT CAPITAL INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014 AND THE PERIOD ENDED MARCH 31, 2013

	March 31, 2014	From Incorporation on August 23, 2012 to March 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (91,536)	\$ (14,905)
Items not affecting cash:		
Share-based compensation	35,915	-
Changes in non-cash working capital items:		
Increase (decrease) in accounts payable and accrued liabilities	2,180	11,000
Net cash used in operating activities	\$ (53,441)	\$ (3,905)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	\$ -	115,000
Shares issued for IPO	256,480	-
Share issuance costs	(72,929)	-
Prepaid expenses	-	(7,143)
Deferred financing charges	-	(2,857)
Net cash provided by (used in) financing activities	\$ 183,551	\$ 105,000
CHANGE IN CASH FOR THE YEAR/PERIOD	\$ 130,110	\$ 101,095
CASH AT THE BEGINNING OF THE YEAR/PERIOD	\$ 101,095	\$ -
CASH AT THE END OF THE YEAR/PERIOD	\$ 231,205	\$ 101,095

Supplemental cash flow information (Note 8)

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

INOVENT CAPITAL INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014 AND THE PERIOD ENDED MARCH 31, 2013

1. NATURE OF OPERATIONS

Inovent Capital Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012. The Company intends to carry on business as a "Capital Pool Company" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). On December 18, 2013, the Company completed its initial public offering ("IPO") (Note 6). As of March 31, 2014, the Company had no business operations and did not enter into any agreements to acquire an interest in businesses or assets. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Where an acquisition or participation ("Qualifying Transaction") is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Company's shares from trading should it not meet those requirements.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and 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. For the year ended March 31, 2014, the Company had incurred operating losses in the amount of \$91,536, accumulated losses of \$106,441 and a working capital of \$218,025. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's registered office is Suite 1130 - 400 Burrard Street, Vancouver, British Columbia, Canada.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

2. **BASIS OF PRESENTATION** (cont'd)

Critical estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ significantly from these estimates.

Critical judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company as previously discussed in Note 1.

Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates made by management affecting the financial statements include:

Share-based payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the stock options granted and the finder's options issued during the year along with the assumptions and model used for estimating their fair value are disclosed in Note 6.

3. **SIGNIFICANT ACCOUNTING POLICIES**

Cash

Cash includes cash on hand, and deposits held on call with a bank.

Financial instruments

Financial assets held-to-maturity, loans and receivables and financial liabilities other than those recorded at fair value through profit and loss, are measured at fair value upon initial recognition, as adjusted for transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability, and are subsequently measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value, as adjusted for transaction costs directly attributable to the acquisition of the financial asset, with the unrealized gains and losses recognized in other comprehensive income ("OCI"), except for impairment losses and foreign exchange gains and losses on monetary available-for-sale instruments which are recognized in the statement of loss and comprehensive loss. When available-for-sale instruments are no longer recognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of loss and comprehensive loss as a reclassification adjustment. Instruments classified as fair value through profit and loss are measured at fair value, with the unrealized gains and losses recognized in the statement of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred Financing Charges

Costs directly identifiable with the raising of capital is charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

During the year ended March 31, 2014, the Company incurred \$72,929 (2013 - \$2,857) in professional fees related to its public share offering. These amounts have been deducted against share capital upon the completion of the public share offering during the current year (Note 6).

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 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.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; 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 statement of financial position date and which are expected to be applicable in the period(s) in which realization or settlement of the carrying amount of assets and liabilities is expected to occur.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Share-based compensation

The Company grants stock options to buy common shares of the Company to directors and officers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and other equity reserve. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The other equity reserve account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Share capital

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

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following are new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements:

IFRS 2 Share-based payment (effective for years beginning on or after July 1, 2014)

In December 2013, the IASB issued an amendment to the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' which were previously part of the definition of 'vesting condition'.

IFRS 3 Business combinations (effective for years beginning on or after July 1, 2014)

In December 2013, the IASB issued amendments clarifying that a contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date and clarifying that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 9 Financial Instruments (effective for years beginning on or after January 1, 2018, tentatively)

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

IAS 24 Related party disclosure (effective for years beginning on or after July 1, 2014)

In December 2013, the IASB issued an amendment that clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

IAS 32 Financial Instruments: Presentation (effective for years beginning on or after January 1, 2014)

In December 2011 the IASB published Offsetting Financial Assets and Financial Liabilities. The amendments to IAS 32 clarify that an entity currently has a legally enforceable right to set-off if that right is: (1) not contingent on a future event; and (2) enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments to IAS 32 also clarify when a settlement mechanism provides for net settlement or gross settlement that is equivalent to net settlement.

5. FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which is measured at amortized cost. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, and accounts payable and accrued liabilities as at March 31, 2014 approximate their fair value due to their short term nature.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying value of its financial instruments shown on the statement of financial position and arises from the Company's cash, which is held with high credit quality financial institutions.

Market risk:

Market risk consists of currency risk, interest rate risk and other price risk. Currency risk is the risk that exposes the Company to financial risk related to the fluctuation in exchange rates. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency denominated financial assets or liabilities. It also holds no financial instruments that expose it to other price risk.

Interest rate risk:

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds cash with banks in regular business accounts that do not bear interest at significant rates that would expose the Company to any significant risk. The Company does not have any interest-bearing debt.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do at excessive cost. As at March 31, 2014, the Company has cash of \$231,205 to settle liabilities of \$13,180, which have contractual maturities of less than 30 days and are subject to normal trade terms.

6. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and Outstanding

During the period ended March 31, 2013, the Company issued 2,300,000 common shares at a price of \$0.05 per common share for total proceeds of \$115,000. These common shares will be held in escrow and will be released pro-rata to the shareholders as to 10% of the escrowed shares upon issuance of notice of final acceptance of a qualifying transaction by the TSX-V, and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrowed shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If the Company does not receive final acceptance of a qualifying transaction and is delisted, the shares may be cancelled and the proceeds returned to the shareholders.

During the year ended March 31, 2014, the Company completed its IPO. A total of 2,564,800 common shares were issued at \$0.10 per share for gross proceeds of \$256,480. In connection with the IPO, the Company incurred cash issue costs of \$82,929, of which \$10,000 were paid for in the prior year and recorded as prepaid expenses and deferred finance charges. The Company issued 256,480 agent's options in connection with the IPO. Each agent option is exercisable to acquire one common share of the Company for a period of 2 years at an exercise price of \$0.10 per share. The fair value attributable to these agents' warrants was \$13,505 and has been recorded as share issue costs.

Total shares held in escrow as at March 31, 2014 and 2013 are 2,300,000.

(c) Agent's Options

In connection with the IPO, the Company granted 256,840 agent options. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 2 years.

The following table summarizes the continuity of the Company's agent's options:

	Number of shares	Weighted average exercise price	Remaining contractual life (years)
Outstanding, March 31, 2013	--	\$ --	
Granted	256,840	0.10	1.72
Outstanding and exercisable, March 31, 2014	256,840	\$ 0.10	1.72

INOVENT CAPITAL INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2014 AND THE PERIOD ENDED MARCH 31, 2013

6. SHARE CAPITAL (cont'd)

c) Agent's Options (cont'd)

The fair value of agent's options granted was \$13,505 (2013 – Nil) and was determined using the Black-Scholes Option Pricing Model with the following assumptions:

	2014	2013
Risk-free rate	1.12%	--
Expected life	2 years	--
Annualized volatility	100.00%	--
Dividend rate	0.00%	--
Forfeiture rate	0.00%	--

d) Stock Options

In connection with the IPO, the Company granted 480,000 options to certain directors and officers of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 5 years.

The following table summarizes the continuity of the Company's stock options:

	Number of shares	Weighted average exercise price	Remaining contractual life (years)
Outstanding, March 31, 2013	--	\$ --	--
Granted	480,000	0.10	4.72
Outstanding and exercisable, March 31, 2014	480,000	\$ 0.10	4.72

6. SHARE CAPITAL (cont'd)

d) Stock Options (cont'd)

The fair value of options issued was \$35,915 (2013 – Nil) and was determined using the Black-Scholes Option Pricing Model with the following assumptions:

	2014	2013
Risk-free rate	1.82%	-
Expected life	5 years	-
Annualized volatility	100.00%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

7. RELATED PARTY TRANSACTIONS

Related party transactions for the year ended March 31, 2014 are as follows:

- a) The Company incurred share-based payments of \$35,915 on options which were granted to various directors and officers of the Company (Note 6(d)).

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The remuneration of directors and other members of key management personnel during the year ended March 31, 2014 was share-based compensation of \$35,915 (period ended March 31, 2013 – Nil).

Share-based payments are the fair value of options granted to key management personnel.

8. SUPPLEMENTAL CASH FLOW INFORMATION

There was no cash paid for interest or income taxes for the year ended March 31, 2014 or for the period ended March 31, 2013.

During the year ended March 31, 2014 the Company had the following significant non-cash transactions:

- a) On December 13, 2013 the Company completed its Initial Public Offering (IPO) and in accordance with its accounting policies (Note 3) reclassified \$7,143 of prepaid expenses and \$2,857 of deferred financing charges to share capital as share issuance costs.
- b) In connection with the IPO, the Company issued agents' warrants. The value of the agents' warrants, \$13,505, was recorded as share issuance costs.

There were no non-cash transactions for the period ended March 31, 2013.

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014 AND THE PERIOD ENDED MARCH 31, 2013

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The Company is not subject to any externally-imposed capital requirements.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2014	2013
Loss and comprehensive loss for the year	\$ (91,536)	\$ (14,905)
Expected income tax (recovery)	\$ (23,799)	\$ (3,726)
Permanent Difference	9,300	-
Share issue cost	(22,775)	-
Change in unrecognized deductible temporary differences	37,274	3,726
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's unrecognized deferred tax assets are as follows:

	2014	2013
Deferred Tax Assets (liabilities)		
Share issue costs	\$ 18,000	\$ -
Non-capital losses available for future period	23,000	3,726
	41,000	3,726
Unrecognized deferred tax assets	(41,000)	(3,726)
Net deferred tax assets	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$88,000 which will expire between 2033 and 2034 and share issue costs of approximately \$70,100 which will expire in 2018.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

INOVENT CAPITAL INC.
MARCH 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inovent Capital Inc.

We have audited the accompanying financial statements of Inovent Capital Inc., which comprise the statement of financial position as at March 31, 2013, and the statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows for the period from incorporation on August 23, 2012 to March 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inovent Capital Inc. as at March 31, 2013, and its financial performance and its cash flows for the period from incorporation on August 23, 2012 to March 31, 2013 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 of the financial statements which describes the uncertainty as to whether or not Inovent Capital Inc. will complete a Qualifying Transaction within twenty-four months from the date its shares are listed on the TSX Venture Exchange. These conditions indicate the existence of a material uncertainty that may cast significant doubt about Inovent Capital Inc.'s ability to continue as a going concern.

Wolrige Mahon LLP

CHARTERED ACCOUNTANTS

June 14, 2013
Vancouver, B.C.

INOVENT CAPITAL INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2013

ASSETS	
Current	
Cash	\$ 101,095
Prepaid legal expense	7,143
	<hr/>
	\$ 108,238
Deferred financing charges (Note 3)	2,857
	<hr/>
	\$ 111,095
	<hr/>
LIABILITIES	
Current	
Accounts payable and accrued liabilities	\$ 11,000
	<hr/>
SHAREHOLDERS' EQUITY	
Share capital (Note 6)	115,000
Deficit	(14,905)
	<hr/>
	100,095
	<hr/>
	\$ 111,095
	<hr/>

Basis of presentation (Note 2)
Proposed transactions (Note 9)

Approved and authorized by the Board on June 14, 2013;

On behalf of the Board:

_____ Director

_____ Director

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

INOVENT CAPITAL INC.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE PERIOD FROM INCORPORATION ON AUGUST 23, 2012 TO MARCH 31, 2013

EXPENSES	
Filing fees	\$ 2,800
Incorporation costs	700
Interest and bank charges	405
Professional fees	11,000
<hr/>	
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(14,905)
DEFICIT AT BEGINNING OF PERIOD	-
<hr/>	
DEFICIT AT END OF PERIOD	\$ (14,905)
<hr/>	
LOSS PER COMMON SHARE	
Basic and diluted	\$ (0.007)
<hr/>	
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	
Basic and diluted	2,130,000

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

INOVENT CAPITAL INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM INCORPORATION ON AUGUST 23, 2012 TO MARCH 31, 2013

	Number Of Shares	Share Capital	Deficit	Total
Balance at August 23, 2012	-	\$ -	\$ -	\$ -
Shares issued for cash	2,300,000	115,000	-	115,000
Deficit	-	-	(14,905)	(14,905)
Balance at March 31, 2013	2,300,000	\$ 115,000	\$ (14,905)	\$ 100,095

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

INOVENT CAPITAL INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCORPORATION ON AUGUST 23, 2012 TO MARCH 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss for the period	\$ (14,905)
Changes in non-cash working capital items:	
Increase in accounts payable and accrued liabilities	11,000
<hr/>	
Net cash used in operating activities	(3,905)
<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES	
Shares issued for cash	115,000
Prepaid expenses	(7,143)
Deferred financing charges	(2,857)
<hr/>	
Net cash provided by financing activities	105,000
<hr/>	
CHANGE IN CASH FOR THE PERIOD	101,095
CASH AT BEGINNING OF PERIOD	-
<hr/>	
CASH AT END OF PERIOD	\$ 101,095

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

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON AUGUST 23, 2012 TO MARCH 31, 2013

1. INCORPORATION

Inovent Capital Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange's ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

The Company's registered office is Suite 1130 - 400 Burrard Street, Vancouver, British Columbia, Canada.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Going Concern of Operations

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses within twenty-four months from the date the Company's shares are listed on the TSX-V. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets held-to-maturity, loans and receivables and financial liabilities other than those recorded at fair value through profit and loss, are measured at fair value upon initial recognition, as adjusted for transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability, and are subsequently measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value, as adjusted for transaction costs directly attributable to the acquisition of the financial asset, with the unrealized gains and losses recognized in other comprehensive income ("OCI"), except for impairment losses and foreign exchange gains and losses on monetary available-for-sale instruments which are recognized in the statement of loss and comprehensive loss. When available-for-sale instruments are no longer recognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of loss and comprehensive loss as a reclassification adjustment. Instruments classified as fair value through profit and loss are measured at fair value, with the unrealized gains and losses recognized in the statement of loss and comprehensive loss.

The Company has classified its cash as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Cash

Cash includes cash on hand, and deposits held on call with a bank.

Deferred Financing Charges

Direct costs incurred to prepare the Company's prospectus filing and initial public offering ("IPO") have been deferred and recognized as deferred financing charges. Upon completion of the IPO, any deferred financing charges incurred up to that date or incurred in the process of completing the IPO will be applied as share issuance costs against the proceeds from the IPO.

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 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. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor 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 statement of financial position date and which are expected to be applicable in the period(s) in which realization or settlement of the carrying amount of assets and liabilities is expected to occur.

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON AUGUST 23, 2012 TO MARCH 31, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

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

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

For the period from incorporation on August 23, 2012 to March 31, 2013, there were no potentially dilutive common shares as there were no stock options outstanding.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ significantly from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements:

IFRS 9, *Financial Instruments* replaces the current standard IAS 39, *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard is effective for financial reporting periods beginning on or after January 1, 2015.

IFRS 10, *Consolidated Financial Statements*, IFRS 12, *Disclosures of Interests in Other Entities* and IAS 27, *Separate Financial Statements* amend current standards to define an investment entity and introduces an exception to consolidating particular subsidiaries for investment entities. These amendments allow an investment entity to measure those subsidiaries at fair value through profit or loss and introduce new disclosure requirements for investment entities. These amendments are effective for financial reporting periods beginning on or after January 1, 2014.

IFRS 11, *Joint Arrangements* provides for a more substance based reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC 13 *Jointly Controlled Entities – Non-Monetary Contributions by Ventures*. IAS 28 *Investments in Associates and Joint Ventures* (revised 2011) has been amended to conform to changes based on the issuance of IFRS 10 and IFRS 11. IFRS 11 is effective for periods beginning on or after January 1, 2013, although earlier adoption is permitted.

IFRS 12, *Disclosure of Interests in Other Entities* requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The effective date of IFRS 12 is January 1, 2013 but entities are permitted to incorporate any of the new disclosures in their financial statements before that date.

IFRS 13, *Fair Value Measurement* establishes a single framework for measuring fair values. This standard applies to all transactions and balances (whether financial or non-financial) for which IFRS requires or permits fair value measurements, with the exception of share-based payment transactions accounted for under IFRS 2 *Share-based Payment* and leasing transactions within the scope of IAS 17 *Leases*. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements for disclosures on fair value measurements. IFRS 11 is effective for periods beginning on or after January 1, 2013, although earlier adoption is permitted and is to be applied prospectively as of the beginning of the annual period in which it is initially applied.

4. RECENT ACCOUNTING PRONOUNCEMENTS (cont'd)

The IASB has also made amendments to existing standards, including IAS 27 and IAS 28. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

IAS 1, *Presentation of Financial Statements* was amended to change the grouping of items presented in other comprehensive income ("OCI"). Items that would be reclassified to profit or loss at a future point in time will be presented separately from items that will never be reclassified. The amendments do not change the nature of the items that are currently recognized in OCI, nor do they impact the determination of whether items in OCI are reclassified through profit or loss in future periods. The Company is currently assessing the full impact of this amendment to IAS 1 and will adopt the standard for the annual period beginning on January 1, 2013.

IAS 32, *Financial Instruments: Presentation* amends the current standard to clarify the application of offsetting requirements of financial assets and financial liabilities. This amendment is effective for financial reporting periods beginning on or after January 1, 2014.

5. FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which is measured at amortized cost. The accounts payable and accrued liabilities are designation as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, and accounts payable and accrued liabilities as at March 31, 2013 approximate their fair value due to their short term nature.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying value of its financial instruments shown on the statement of financial position and arises from the Company's cash, which is held with high credit quality financial institutions.

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. Currency risk is the risk that exposes the Company to financial risk related to the fluctuation in exchange rates. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own

5. FINANCIAL INSTRUMENTS AND RISKS (cont'd)

foreign currency denominated financial assets or liabilities. It also holds no financial instruments that expose it to other price risk.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do at excessive cost. As of March 31, 2013, the Company has cash of \$101,095 to settle liabilities of \$11,000, which have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk:

The Company has cash balances and no interest-bearing debt.

6. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and Outstanding

During the period ended March 31, 2013, the Company issued 2,300,000 common shares at a price of \$0.05 per common share for total proceeds of \$115,000. These common shares will be held in escrow and will be released pro-rata to the shareholders as to 10% of the escrowed shares upon issuance of notice of final acceptance of a qualifying transaction by the TSX-V, and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrowed shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If the Company does not receive final acceptance of a qualifying transaction and is delisted, the shares may be cancelled and the proceeds returned to the shareholders.

INOVENT CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON AUGUST 23, 2012 TO MARCH 31, 2013

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The Company is not subject to any externally-imposed capital requirements.

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

Loss for the period	\$ (14,905)
Statutory rate	25%
Income tax recovery at statutory rate	\$ (3,726)
Deferred tax assets not recognized	3,726
	\$ -

The significant components of the Company's unrecognized deferred tax assets are as follows:

Non-capital loss carry forwards	\$ 14,905
Unrecognized deferred tax assets	(3,726)

The Company has available for deduction against future taxable income non-capital losses of approximately \$14,900. These losses, if not utilized, will expire in 2033. Deferred tax assets have not been recognized on non-capital loss carry forwards.

9. PROPOSED TRANSACTIONS

Initial public offering ("IPO")

Subsequent to year end, the Company entered into an engagement agreement with Euro Pacific Canada Inc. (the "Agent") in relation to its IPO, whereby it proposes to issue a minimum of 2,000,000 common shares for minimum proceeds of \$200,000 and a maximum 5,000,000 common shares for maximum gross proceeds of \$500,000. The Agent will be paid a cash commission of 10% of the gross proceeds, a corporate finance fee of \$10,000 (plus applicable taxes), of which \$5,000 has been paid as a non-refundable deposit. The Company has also paid a \$10,000 retainer, which will be applied towards the Agent's legal fees, expenses and other costs it incurs, which legal fees shall not exceed \$15,000, excluding disbursements and taxes. In addition, the Agent will be granted the Agent's Option (as defined). The Agent's Option entitles the Agent to purchase a minimum of 200,000 common shares and a maximum of 500,000 common shares at a price of \$0.10 per common share and is exercisable for a period of 24 months from the day the common shares are listed on the TSX-V.

Grant of stock options

Upon completion of the IPO, the Company will grant stock options to officers and directors at a price of \$0.10 per share expiring five years from the date the Company is listed on the TSX-V based on 10% of the issued and outstanding shares following closing of the Company's IPO.

SCHEDULE "B"
TO
INOVENT CAPITAL INC. FILING STATEMENT, DATED JANUARY 20, 2017
FOR A QUALIFYING TRANSACTION

INOVENT CAPITAL INC.
(a Capital Pool Company)
CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited – prepared by management)
SIX MONTHS ENDED SEPTEMBER 30, 2016 AND 2015
(Expressed in Canadian Dollars)

INOVENT CAPITAL INC.

(A Capital Pool Company)

Unaudited Condensed Interim Statement of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2016	March 31, 2016
ASSETS		
Current		
Cash	\$ 59,344	\$ 79,478
Temporary Investment (Note 11)	15,000	15,000
	<hr/> \$ 74,344	<hr/> \$ 94,478
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 167,575	\$ 154,878
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	275,046	275,046
Reserve (Note 7)	49,420	49,420
Deficit	(417,697)	(384,866)
	<hr/> \$ (93,231)	<hr/> \$ (60,400)
	<hr/> \$ 74,344	<hr/> \$ 94,478

Nature of operations and going concern (Note 1)

Significant events (Notes 11, 12 and 13)

Subsequent event (Note 14)

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

Approved by the Board

Signed: "David Brett"

Director

Signed: "George Pietrobon"

Director

INOVENT CAPITAL INC.
(A Capital Pool Company)

Unaudited Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
EXPENSES				
Filing fees	\$ 639	\$ 960	\$ 5,071	\$ 4,615
Interest and bank charges	76	49	91	72
Professional fees	5,577	2,269	9,902	6,612
Listing fees	-	-	-	-
Office	1,243	399	1,243	399
Investor communications	806	167	806	397
Technical report	15,718	-	15,718	-
Loss from transaction	-	15,000	-	15,000
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD				
	(24,059)	(18,844)	(32,831)	(27,095)
DEFICIT AT BEGINNING OF PERIOD				
	(393,638)	(351,273)	(384,866)	(343,022)
DEFICIT AT END OF PERIOD				
	\$ (417,697)	\$ (370,117)	\$ (417,697)	\$ (370,117)
LOSS PER COMMON SHARE				
Basic and diluted	\$ (0.005)	\$ (0.004)	\$ (0.007)	\$ (0.006)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic and diluted	4,864,800	4,864,800	4,864,800	4,864,800

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

INOVENT CAPITAL INC.
(A Capital Pool Company)

Unaudited Condensed Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number Of Shares	Share Capital	Reserve	Deficit	Total
Balance at March 31, 2015	4,864,800	\$ 275,046	\$ 49,420	\$ (343,022)	\$ (18,556)
Shares issued for cash	-	-	-	-	-
Net loss for the period	-	-	-	(27,095)	(27,095)
Balance at September 30, 2015	4,864,800	\$ 275,046	\$ 49,420	\$ (370,117)	\$ (45,651)
Balance at March 31, 2016	4,864,800	\$ 275,046	\$ 49,420	\$ (384,866)	\$ (60,400)
Shares issued for cash	-	-	-	-	-
Net loss for the period	-	-	-	(32,831)	(32,831)
Balance at September 30, 2016	4,864,800	\$ 275,046	\$ 49,420	\$ (417,697)	\$ (93,231)

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

INOVENT CAPITAL INC.
(A Capital Pool Company)

Unaudited Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)

	For the six months ended	
	September 30, 2016	September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (32,831)	\$ (27,095)
Changes in non-cash working capital items:		
Loss from transaction	-	15,000
Decrease in accounts receivable	-	800
Increase (decrease) in accounts payable and accrued liabilities	12,697	(11,291)
Net cash used in operating activities	(20,134)	(22,586)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposit (Note 11)	-	105,000
Net cash provided by financing activities	-	105,000
CHANGE IN CASH FOR THE PERIOD	(20,134)	82,414
CASH AT BEGINNING OF PERIOD	79,478	13,089
CASH AT END OF PERIOD	\$ 59,344	\$ 95,503

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

Notes to Financial Statements
For the Six Month Period Ended September 30, 2016

1. NATURE OF OPERATIONS

Inovent Capital Inc. (the "Company" or "Inovent") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012. The Company carries on business as a "Capital Pool Company" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). On December 18, 2013, the Company completed its initial public offering ("IPO"). As of September 30, 2016, the Company had no business operations. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Where an acquisition or participation ("Qualifying Transaction") is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange.

Since the Company did not complete a Qualifying Transaction prior to this date, the Exchange suspended the Company's securities from trading in accordance with Exchange Policy 2.4 as further described in NOTE 12 - SIGNIFICANT EVENT (EXTENSION).

The Company has been granted an extension to December 20, 2016 to complete its Qualifying Transaction. As further described in Note 13 – SIGNIFICANT EVENT (KING'S POINT), the Company on August 12, 2016 signed a definitive agreement to acquire a Newfoundland gold, copper and zinc property as a Qualifying Transaction under the CPC policies of the Exchange. However there is no assurance that the Company will be able to secure the necessary financing as proposed. See Note 14 SUBSEQUENT EVENT (FINANCING).

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and 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. For the six month period ended September 30, 2016, the Company had incurred operating losses in the amount of \$32,831, accumulated losses of \$417,697 and a working capital deficiency of \$93,231. However there is significant doubt the Company will have sufficient working capital to meet its ongoing financial obligations for the coming year. These matters create material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's registered office is Suite 1130 - 400 Burrard Street, Vancouver, British Columbia, Canada.

Notes to Financial Statements
For the Six Month Period Ended September 30, 2016

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2016.

The accounting policies applied in preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended March 31, 2016.

The Company’s interim results are not necessarily indicative of its results for a full year.

3. SIGNIFICANT ACCOUNTING POLICIES

Refer to the audited financial statements for the year ended March 31, 2016 for a summary of significant accounting policies.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following are new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements:

IFRS 9 Financial Instruments (effective for years beginning on or after January 1, 2018)

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 - Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

INOVENT CAPITAL INC.
(A Capital Pool Company)

Notes to Financial Statements
For the Six Month Period Ended September 30, 2016

5. EQUIPMENT

The Company has not acquired any equipment to date.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2016	March 31, 2016
Trade payables	\$ 167,575	\$ 148,878
Accrued liabilities	-	6,000
	\$ 167,575	\$ 154,878

7. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and Outstanding

There were no share capital transactions during the period ended September 30, 2016 and 2015.

(c) The fair value attributable to agent's options was \$13,505 and was recorded as share issue costs.

Total shares held in escrow as at September 30, 2016 and 2015 are 2,300,000. Escrow shares will be released as follows:

- 10% upon completion of the Company's Qualifying Transaction
- 15% on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release

Notes to Financial Statements
For the Six Month Period Ended September 30, 2016

7. SHARE CAPITAL (cont'd)

c) Agent's Options

In connection with the IPO, the Company granted 256,840 agent options. Each option entitled the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 2 years. The Agent's Options have now expired.

The following table summarizes the continuity of the Company's agent's options:

	Number of shares	Weighted average exercise price	Remaining contractual life (years)
Outstanding and exercisable, March 31, 2015	256,840	\$ 0.10	0.72
Expired	(256,840)	(0.10)	-
Outstanding and exercisable, March 31, 2016 and September 30, 2016	-	\$ -	-

d) Stock Options

In connection with the IPO, the Company granted 480,000 options to certain directors and officers of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 5 years expiring December 18, 2018.

The fair value of options issued to directors and officers was \$35,915.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price	Remaining contractual life (years)
Outstanding and exercisable, March 31, 2015	480,000	\$ 0.10	3.72
Outstanding and exercisable, March 31, 2016	480,000	\$ 0.10	2.72
Outstanding and exercisable, September 30, 2016	480,000	\$ 0.10	2.22

8. RELATED PARTY TRANSACTIONS

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

There were no related party transactions during the periods ended September 30, 2016 and 2015.

Notes to Financial Statements
For the Six Month Period Ended September 30, 2016

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction. (see Notes 13 and 14)

The Company is not subject to any externally-imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

The Company's financial instruments consist of cash, temporary investment and accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which are measured at amortized cost. The Company's temporary investment is classified as fair value through profit and loss. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, and accounts payable and accrued liabilities as at September 30, 2016 approximate their fair value due to their short term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices 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 or indirectly;

Level 3 – Inputs that are not observable for the asset or liability.

The fair value of the temporary investment is based on level 2 inputs of the fair value hierarchy. The fair value of the temporary investment was based on the settlement terms of the transaction described in Note 11.

Notes to Financial Statements
For the Six Month Period Ended September 30, 2016

10. FINANCIAL INSTRUMENTS AND RISKS (cont'd)

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying value of its financial instruments shown on the statement of financial position and arises from the Company's cash, which is held with high credit quality financial institutions.

Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of currency risk, interest rate risk and other price risk. The Company is not exposed to any significant market risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do at excessive cost. As at September 30, 2016, the Company has cash of \$59,344 to settle liabilities of \$167,575, which are subject to normal trade terms.

The Company still does not have sufficient working capital to meet its ongoing financial obligations for the coming year.

11. SIGNIFICANT EVENT (JETLINES)

Letter of Intent

The Company entered into a letter of intent ("LOI") with Canada Jetlines Ltd. ("Jetlines") on June 29, 2014, pursuant to which the parties agreed to negotiate the terms of a business combination transaction (the "Transaction"). Inovent intended for the Transaction to constitute its Qualifying Transaction pursuant to the policies of the Exchange.

Upon execution of the LOI, Inovent advanced to Jetlines a non-refundable deposit of \$25,000 and a secured refundable deposit of \$120,000, to be refundable if the Transaction was terminated.

Amalgamation Agreement

Inovent and Jetlines entered into an amalgamation agreement on September 12, 2014, which was amended on October 2, 2014, November 19, 2014 and December 16, 2014 (collectively the "**Amalgamation Agreement**") which set out the terms on which the Amalgamation was to occur to form an entity to be named "Canada Jetlines Ltd."

Notes to Financial Statements
For the Six Month Period Ended September 30, 2016

11. SIGNIFICANT EVENT (JETLINES) (cont'd)

Purported Termination of Amalgamation Agreement

On February 6, 2015 Jetlines provided notice to Inovent purporting to terminate the Amalgamation Agreement.

Inovent rejected Jetlines' purported termination of the Amalgamation Agreement and Jetlines' right, under the Amalgamation Agreement, to effect such a termination. Inovent worked with its legal counsel to pursue appropriate legal means to enforce the Amalgamation Agreement and for the repayment of the Refundable Deposit and to be compensated for the substantial damages caused to Inovent as result of Jetlines' termination of the Amalgamation Agreement and various other breach of the terms of the Amalgamation Agreement by Jetlines.

Settlement of Litigation

On September 30, 2015, the Company and Jetlines completed their litigation settlement agreement whereby Jetlines settled the refundable deposit in full by paying the Company \$105,000 and issuing 200,000 warrants entitling the Company to purchase 200,000 Jetlines common shares at price of \$0.50 per share for a period of two years ending September 30, 2017. The warrants were assessed at a fair value of \$15,000 being the difference between the total refundable deposit balance and the amount of cash received from Jetlines.

12. SIGNIFICANT EVENT (EXTENSION)

During this period, the TSX Venture Exchange ("The Exchange") accepted the Company's application for an extension to complete a Qualifying Transaction ("QT"). Inovent will have until December 20, 2016 to complete its QT consisting of the acquisition of the King's Point gold-copper-zinc property ("King's Point") (see Note 13). The previous deadline had been September 21, 2016.

Prior to December 20, 2016, the Company is required to complete the acquisition of King's Point, with this requirement being satisfied by the Exchange issuing a Final Exchange Bulletin that evidences final Exchange Acceptance and the closing of the QT. If this requirement is not met, then the Company's shares will be transferred to the NEX board of the Exchange.

13. SIGNIFICANT EVENT (KING'S POINT)

On August 12, 2016, Inovent Capital Inc. signed a definitive agreement to acquire 100% of the King's Point Gold-Base Metals Property in the Green Bay area of Newfoundland (the "Property") for a one-time payment of 2,750,000 common shares of Inovent and a 2.5% NSR in favour of the vendor, of which NSR 1.5% is purchasable by Inovent for \$1 million. Comprising 129 claims covering 3,225 hectares within two separate blocks, the Property hosts numerous priority mesothermal gold and "Buchans Type" VMS exploration targets in an established precious and base metal mineral belt.

The acquisition, which is subject to the approval of the TSX Venture Exchange ("TSXV"), due diligence, an acceptable 43-101 Technical Report (dated September 18, 2016 and completed December 5, 2016), and a concurrent financing, is intended to constitute Inovent's Qualifying Transaction under the CPC policies of the TSXV.

Inovent has commissioned an independent Qualified Person to visit the Property and complete the Technical Report. The proposed acquisition of the Property does not constitute a non-arm's length qualifying transaction.

Notes to Financial Statements
For the Six Month Period Ended September 30, 2016

14. SUBSEQUENT EVENT (FINANCING)

On October 6, 2016, the Company, subject to the approval of the TSX Venture Exchange, arranged a Non-brokered Private Placement Financing in which the Company will sell a minimum of 6,428,571 and up to 7,857,143 Units of the Company at a price of \$0.07 per unit, to raise between \$450,000 and \$550,000 (the "Financing"). The Financing is expected to close concurrent with and to provide funding for the Company's acquisition of a 100% interest in the King's Point gold property in Newfoundland (the "Property"), which will constitute the Company's Qualifying Transaction ("QT") under the rules of the TSX Venture Exchange's respecting Capital Pool Companies (Note 13).

The Financing consists of a non-brokered private placement of up to 7.857 million units ("Units") at a price of \$0.07 per Unit. Each Unit will consist of one common share and one non-transferable warrant. Each warrant will entitle the holder to purchase one additional share at a price of \$0.10 for a period of 2 years from the closing date. The proceeds of the offering will be used to complete a recommended exploration program at the Property, pay for certain costs of the offering and QT, and for general working capital purposes.

An NI43-101 Technical Report on the Property has been prepared for Inovent by L. John Peters, P. Geo. The Report recommends a \$200,000 Phase 1 exploration program and a \$600,000 success contingent Phase 2 program that would include drilling.

The Company must pay 8% finder's fees to eligible finders. Payment of finder's fees and completion of the private placement are subject to the approval of the TSX Venture Exchange.

15. SUBSEQUENT EVENT (ACCOMODATION AGREEMENT)

On January 19, 2017 and prior to completion of a filing statement for the presently contemplated QT, the Company reached a debt accommodation agreement with its legal counsel as follows:

- Permanently write off \$30,000 of the current payables associated with the failed 2014 Jetlines QT;
- Permanently write off an additional \$26,416 (\$21,900 as at September 30, 2016) in accumulated interest on those overdue 2014 QT accounts; and
- Defers to the end of January 2018 \$41,295 of the remaining 2014 QT accounts payable.

These changes will significantly impact the working capital position as indicated below.

(i) Current liabilities as at September 30, 2016		\$ 167,575
(ii) Accumulated interest	\$ 21,900	
(iii) Courtesy discount	30,000	
(iv) Reclassification to long-term liability	<u>41,295</u>	
Revised current liabilities		\$ <u>93,195</u> <u>74,380</u>
Revised working capital – at September 30, 2016		
Current Assets		
Cash	\$ 59,344	
Temporary investment	<u>15,000</u>	
		\$ 74,344
Less: Current liabilities (above)		<u>(74,380)</u>
Revised working capital deficiency		\$ <u>(36)</u>