



**INTERNATIONAL PROSPECT VENTURES LTD.**  
*Interim condensed financial statements (unaudited)*

For the three-month periods ended on March 31, 2018 and 2017

# INTERNATIONAL PROSPECT VENTURES LTD.

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## INTERIM CONDENSED FINANCIAL STATEMENTS

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## **Notice to Reader**

The accompanying unaudited interim condensed financial statements of International Prospect Ventures LTD. (the "Company") for the three-month periods ended on March 31, 2018 and 2017 have been prepared by the management and are its responsibility. These unaudited interim condensed financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed financial statements have not been reviewed by the Company's auditors.

# INTERNATIONAL PROSPECT VENTURES LTD.

## INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

As at	(unaudited - in Canadian dollars)		
	Notes	March 31, 2018	December 31, 2017
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	761,029	801,117
Sales taxes recoverable		14,907	32,539
Prepaid expenses and deposits		88,050	85,688
Advance to a director, bearing no interest, repayable on demand	9	25,195	29,834
		<u>889,181</u>	<u>949,178</u>
<b>Non-current assets</b>			
Exploration and evaluation assets	6	97,900	97,844
<b>Total assets</b>		<u>987,081</u>	<u>1,047,022</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		<u>87,379</u>	<u>105,312</u>
<b>Total liabilities</b>		<u>87,379</u>	<u>105,312</u>
<b>EQUITY</b>			
Share capital	7	3,330,832	3,330,832
Contributed surplus		228,048	228,048
Deficit		(2,659,178)	(2,617,170)
<b>Total equity</b>		<u>899,702</u>	<u>941,710</u>
<b>Total liabilities and equity</b>		<u>987,081</u>	<u>1,047,022</u>

Going Concern (Note 2)  
Subsequent event (Note 11)

The accompanying notes are an integral part of the interim condensed financial statements.

On behalf of the Board of Directors,

"Glenn J. Mullan"  
(signed Glenn J. Mullan)  
Director

"Dr. C. Jens Zinke"  
(signed C. Jens Zinke)  
Director

# INTERNATIONAL PROSPECT VENTURES LTD.

## INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three-month periods ended on

(unaudited - in Canadian dollars)

	March 31, 2018	March 31, 2017
	\$	\$
<b>Operating expenses</b>		
Audit and accounting fees	19,538	11,513
Legal fees	6,308	20,116
Consultant fees	6,765	223
Regulatory and transfer agent fees	5,304	14,230
Investor relations fees	-	4,051
Office expenses and other	3,187	5,484
Exploration and evaluation expenses	1,750	48
<b>Operating loss</b>	42,852	55,665
<b>Other expenses (income)</b>		
Interest income	(717)	-
Interest expense	184	126
Foreign exchange gain	(311)	-
Reversal of liability component related to flow-through shares	-	(2,766)
	(844)	(2,640)
<b>Net loss and total comprehensive loss</b>	42,008	53,025
<b>Basic and diluted net loss per common share</b>	0.002	0.003
<b>Weighted average number of common shares outstanding</b>	25,103,128	18,654,996

The accompanying notes are an integral part of the interim condensed financial statements.

## INTERNATIONAL PROSPECT VENTURES LTD.

### INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended on March 31, 2018 and 2017

(unaudited - in Canadian dollars)

	Share capital		Contributed Surplus	Warrants	Deficit	Total
	Number	\$	\$	\$	\$	\$
<b>Balance on January 1st, 2017</b>	18,654,996	2,465,310	1	184,009	(2,146,303)	503,017
Net loss and comprehensive loss	-	-	-	-	(53,025)	(53,025)
<b>Balance on March 31, 2017</b>	<u>18,654,996</u>	<u>2,465,310</u>	<u>1</u>	<u>184,009</u>	<u>(2,199,328)</u>	<u>449,992</u>
<b>Balance on January 1st, 2018</b>	25,103,128	3,330,832	228,048	-	(2,617,170)	941,710
Net loss and comprehensive loss	-	-	-	-	(42,008)	(42,008)
<b>Balance on March 31, 2018</b>	<u>25,103,128</u>	<u>3,330,832</u>	<u>228,048</u>	<u>-</u>	<u>(2,659,178)</u>	<u>899,702</u>

The accompanying notes are an integral part of the interim condensed financial statements.

# INTERNATIONAL PROSPECT VENTURES LTD.

## INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the three-month periods ended on

(unaudited - in Canadian dollars)

	Notes	March 31, 2018	March 31, 2017
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net loss		(42,008)	(53,025)
Non-cash profit or loss items			
Reversal of liability component related to flow-through shares		-	(2,766)
		(42,008)	(55,791)
Change in non-cash working capital items			
Sales taxes recoverable		17,632	(5,798)
Prepaid expenses and deposits		(2,362)	(17,500)
Accounts payable and accrued liabilities		(17,933)	(13,440)
		(2,663)	(36,738)
<b>Net cash related to operating activities</b>		<b>(44,671)</b>	<b>(92,529)</b>
<b>INVESTING ACTIVITIES</b>			
Additions to exploration and evaluation assets	6	(56)	(2,271)
Advance to a director		4,639	-
<b>Net cash related to investing activities</b>		<b>4,583</b>	<b>(2,271)</b>
<b>Decrease in cash</b>		(40,088)	(94,800)
<b>Cash and cash equivalents, beginning of period</b>		<b>801,117</b>	<b>531,552</b>
<b>Cash and cash equivalents, end of period</b>		<b>761,029</b>	<b>436,752</b>
Interest received		(717)	-

The accompanying notes are an integral part of the interim condensed financial statements.

# INTERNATIONAL PROSPECT VENTURES LTD.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At March 31, 2018 and 2017 and December 31, 2017

(Unaudited - in Canadian dollars)

### NOTE 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

International Prospect Ventures Ltd (the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Quebec, Canada. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C. V6E 4M3. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-D'Or, Quebec, J9P 0B9.

The Company's common shares are trading on the TSX Venture Exchange under the trading symbol "IZZ".

### NOTE 2. GOING CONCERN

These interim condensed financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months.

### NOTE 3. BASIS OF PRESENTATION

These interim condensed financial statements, approved by the Board of Directors on May 1, 2018, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". These interim condensed financial statements as well as the related notes should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2017.

### NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

#### *Overall considerations*

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 3 - Significant Accounting Policies, of the Company's annual audited financial statements for the year ended December 31, 2017.

#### *Accounting standards and interpretations issued and in effect during the period*

##### *IFRS 9, Financial instruments*

The IASB previously published versions of IFRS 9, Financial instruments that introduced new classification and measurement requirements in 2009 and 2010 and a new hedge accounting model in 2013. In July 2014, the IASB released the final version of IFRS 9, Financial instruments which replaces earlier versions of IFRS 9 issued and completes IASB's project to replace IAS 39, Financial Instruments: Recognition and Measurement.

The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with certain exceptions. Early adoption is permitted. The restatement for the classification and assessment presented for prior periods, particularly with respect to impairment is not required. The Company assessed the impact of adoption of IFRS 9 on its interim condensed financial statements, and determined that no significant



# INTERNATIONAL PROSPECT VENTURES LTD.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At March 31, 2018 and 2017 and December 31, 2017

(Unaudited - in Canadian dollars)

### NOTE 5. CASH AND CASH EQUIVALENTS

	Mars 31, 2018	Decembre 31, 2017
	\$	\$
Cash	711,029	751,117
Demand deposit, 0,90%, expiring on October 25, 2018	50,000	50,000
	761,029	801,117

### NOTE 6. EXPLORATION AND EVALUATION ASSETS

The following tables presents a summary of exploration and evaluation assets by property:

	Balance as at January 1, 2017		Balance as at December 31, 2017		Balance as at March 31, 2018
	\$	Additions \$	\$	Additions \$	\$
Porcupine Miracle Prospect (Ontario)	14,474	83,370	97,844	56	97,900
	14,474	83,370	97,844	56	97,900

The following table presents the additions to exploration and evaluation assets by property:

	March 31, 2018	December 31, 2017
	\$	\$
Claim maintenance	56	8,152
Geophysics	-	49,899
Geology	-	14,738
Other fees	-	581
Royalty advance payment	-	10,000
	56	83,370

#### **Porcupine Miracle Prospect - Landmuir Township, Ontario**

The Company owns a 100% interest in the Porcupine Miracle Prospect which comprises four (4) mining claims located in the Langmuir Township in the province of Ontario, Canada. The property will be subject to a royalty in favor of 2973090 equal to 3% of net smelter returns. In addition, advance royalty payments of \$10,000 per annum will be payable by the Company commencing on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

# INTERNATIONAL PROSPECT VENTURES LTD.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At March 31, 2018 and 2017 and December 31, 2017

(Unaudited - in Canadian dollars)

### NOTE 7. SHARE CAPITAL

#### Authorized

Unlimited number of voting common shares without par value.

#### Warrants

The following table shows the changes in warrants:

	March 31, 2018	December 31, 2017		
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	-	-	7,291,832	-
Exercised	-	-	(6,381,465)	0.11
Expired	-	-	(910,367)	0.10
Outstanding, end of period	-	-	-	-

### NOTE 8. SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the Exchange.

All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

The Company's stock options are as follows for the reporting periods presented:

	March 31, 2018	December 31, 2017		
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	2,510,000	0.10	-	-
Granted	-	-	2,510,000	0.100
Outstanding and exercisable, end of period	2,510,000	0.10	2,510,000	0.10

# INTERNATIONAL PROSPECT VENTURES LTD.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At March 31, 2018 and 2017 and December 31, 2017

(Unaudited - in Canadian dollars)

### NOTE 8. SHARE-BASED PAYMENTS (Continued)

The fair value of the stock options granted of \$0.09 has been estimated on the date of issue, using the Black-Scholes valuation model with the following weighted average assumptions:

	March 31, 2018	December 31, 2017
Share price at date of grant	-	\$0.09
Expected dividend yield	-	- \$
Expected volatility	-	139 %
Risk-free interest rate	-	1.73 %
Expected life	-	10 years
Exercise price at the date of grant	-	\$0.10

Given the limited trading history of the Company's common shares, the underlying expected volatility was determined by reference to historical data of comparable mining exploration companies' share on the TSX Venture Exchange over the expected average life of the stock options. No special features inherent to the options granted were incorporated into measurement of fair value.

The number of outstanding stock options that could be exercised for an equal number of common shares is as follow:

Expiry date	Exercise price	Number of options
	\$	
July 10, 2027	0.05	1,915,000
December 12, 2027	0.265	595,000
		<u>2,510,000</u>

### NOTE 9. RELATED PARTY TRANSACTIONS

#### Transactions with a shareholder

On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley Mines Ltd ("Golden Valley") under which Golden Valley agrees to terminate the Management Agreement in exchange of a settlement fee of \$60,000. This amount is payable at March 31, 2018 and is included in accounts payable and accrued liabilities. As disclosed in Note 11, this amount will be paid through the issuance of common shares, subject to acceptance by the TSX Venture Exchange.

During the three-month period ended March 31, 2018, Golden Valley recharged some expenses to the Company for a total amount of \$2,248 which was recorded in the interim condensed statement of loss and comprehensive loss (for the three-month period ended March 31, 2017 – \$670, which was capitalized as exploration and evaluation assets).

#### Transactions with key management

Key management personnel of the Company are the members of the board of directors, as well as the president and the chief financial officer ("CFO").

During the three-month period ended March 31, 2018, the Company incurred fees of \$7,500 with the CFO (for the three-month period ended March 31, 2017 – \$7,500). These fees are recorded under audit and accounting fees in the interim condensed statement of loss and comprehensive loss.

At March 31, 2018, the Company has an advance to a director for an amount of \$25,195 which bears no interest and is repayable on demand.

# INTERNATIONAL PROSPECT VENTURES LTD.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At March 31, 2018 and 2017 and December 31, 2017

(Unaudited - in Canadian dollars)

### NOTE 9. RELATED PARTY TRANSACTIONS (Continued)

#### Transactions with related parties

During the three-month period ended March 31, 2018, Val-D'Or Mining Corporation, a related company, recharged some expenses to the Company for a total amount of \$510 which was recorded in the interim condensed statement of loss and comprehensive loss (for the three-month period ended March 31, 2017 – nil).

### NOTE 10. COMMITMENTS

#### Valroc PTY Ltd.

On September 21, 2017, the Company entered into an agreement with Valroc PTY Ltd. ("Valroc"), a New South Wales company, located in Australia, pursuant to which the Company and Valroc will jointly acquire certain mining claims located in Western Australia, each with an undivided 50% interest. Valroc will be responsible for arranging to have had the claims acquired, registered and held in good standing. The Company will pay all of the costs of acquiring the claims, and other related costs including the costs of initial technical compilations and program reviews up to a maximum of \$120,000 to allow the Company and Valroc to consider establishing a proper joint venture arrangement on or around December 31, 2017. The Company and Valroc have staked eight tenements to date, in an area southeast of Karratha, Western Australia, covering a total area of approximately 927 square kilometres for a total amount of \$72,795 which is recorded as a deposit in the statement of financial position.

On December 12, 2017, the Company and Valroc entered into a binding share exchange agreement ("Valroc agreement") to acquire 100% interest in Valroc. Pursuant to the terms of the Valroc agreement, the owner of Valroc will exchange with the Company all of the issued and outstanding shares of Valroc for 1,600,000 common shares of the Company on the terms and conditions set forth in the Valroc agreement and Valroc will become a wholly owned subsidiary of the Company such that the Company will then own a 100% interest in the tenements upon the applications for such tenements being granted. Completion of the transactions contemplated by the Valroc agreement is conditional on the applications for the tenements being granted and acceptance by the TSX Venture Exchange.

The acquisition of Valroc does not meet the definition of a business combination under IFRS 3 Business Combinations as the primary assets acquired are the tenements. Accordingly, the purchase of Valroc's net assets will be an equity-settled share-based payment under IFRS 2 Share-based Payment once the conditions under the Valroc agreement are met.

In accordance with IFRS 2, equity instruments from this transaction will be recognized at fair value of net assets acquired. Net assets acquired consist in eight tenements which will be measured at the amount of the excess of the fair value of equity instruments deemed issued to Valroc at the time of completion and Valroc's net assets acquired.

### NOTE 11. SUBSEQUENT EVENT

On April 6, 2018, the Company announced that subject to acceptance by the TSX Venture Exchange and with the intent of preserving its cash resources for operations, it proposes to issue approximately 300,000 common shares of the Company at a deemed per share price of \$0.20 in settlement of an amount of \$60,000 owing to Golden Valley as part of the Termination agreement described in Note 9.