



INTERNATIONAL PROSPECT VENTURES LTD.

**Condensed Interim Financial Statements
Three and six months ended June 30, 2018 and 2017**

(Expressed in Canadian Dollars)

(UNAUDITED)

INTERNATIONAL PROSPECT VENTURES LTD.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

INTERNATIONAL PROSPECT VENTURES LTD.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)



	Notes	As at June 30, 2018	As at December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	5	\$ 704,674	\$ 801,117
Sales taxes recoverable		4,312	32,539
Prepaid expenses and deposits		94,439	85,688
Advance to related party	10	24,775	29,834
		828,200	949,178
Non-current assets			
Exploration and evaluation assets	6	102,400	97,844
TOTAL ASSETS		\$ 930,600	\$ 1,047,022
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 20,321	\$ 105,312
Total liabilities		20,321	105,312
EQUITY			
Share capital	7	3,399,832	3,330,832
Contributed surplus		224,048	228,048
Deficit		(2,713,601)	(2,617,170)
Total equity		910,279	941,710
TOTAL LIABILITIES AND EQUITY		\$ 930,600	\$ 1,047,022

Going Concern (Note 2)

Commitments (Note 11)

On behalf of the Board of Directors,

"Glenn J. Mullan"

(signed Glenn J. Mullan)

Director

"Dr. C. Jens Zinke"

(signed C. Jens Zinke)

Director

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

INTERNATIONAL PROSPECT VENTURES LTD.

Condensed Interim Statements of Net loss and Comprehensive loss

(Expressed in Canadian Dollars)

(Unaudited)



	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Operating expenses				
Audit and accounting fees	\$ 10,122	\$ 11,512	\$ 29,659	\$ 23,025
Legal fees	17,366	14,629	23,675	34,745
Consultant fees	6,844	558	13,609	781
Regulatory and transfer agent fees	6,050	6,240	11,355	20,470
Investor relations fees	7,632	2,769	7,632	6,820
Office expenses and other	4,157	1,846	7,344	7,330
Exploration and evaluation expenses	164	(2,905)	1,913	(2,857)
Operating loss	52,335	34,649	95,187	90,314
Other expenses (income)				
Interest income	(4)	-	(10)	-
Interest expense	82	113	82	239
Foreign exchange gain	2,009	-	1,172	-
Reversal of liability component related to flow-through shares	-	(17,175)	-	(19,941)
	2,087	(17,062)	1,244	(19,702)
Net loss and total comprehensive loss for the period	54,422	17,587	96,431	70,612
Basic and diluted net loss per common share	0.002	0.001	0.004	0.004
Weighted average number of common shares outstanding	25,286,644	19,254,996	25,195,393	18,956,653

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

INTERNATIONAL PROSPECT VENTURES LTD.
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)



	Share capital		Contributed Surplus		Warrants	Deficit	Total
	Number						
Balance on January 1, 2018	25,103,128	\$ 3,330,832	\$ 228,048	\$ -	\$ -	\$ (2,617,170)	\$ 941,710
Issuance of shares on exercise of stock options	100,000	9,000	(4,000)	-	-	-	5,000
Issuance of shares on settlement of debt	300,000	60,000	-	-	-	-	60,000
Net loss and comprehensive loss	-	-	-	-	-	(96,431)	(96,431)
Balance on June 30, 2018	25,503,128	\$ 3,399,832	\$ 224,048	\$ -	\$ -	\$ (2,713,601)	\$ 910,279
Balance on January 1, 2017	18,654,996	2,465,310	1	184,009	(2,146,303)	503,017	
Issuance of shares on exercise of warrants	1,400,000	176,400	-	(36,400)	-	140,000	
Net loss and comprehensive loss	-	-	-	-	(70,612)	(70,612)	
Balance on June 30, 2017	20,054,996	\$ 2,641,710	\$ 1	\$ 147,609	\$ (2,216,915)	\$ 572,405	

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

INTERNATIONAL PROSPECT VENTURES LTD.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)



	Six months ended June 30,	
	2018	2017
OPERATING ACTIVITIES		
Net loss for the period	\$ (96,431)	\$ (70,612)
Adjustments:		
Reversal of liability component related to flow-through shares	-	(19,941)
	(96,431)	(90,553)
Change in non-cash working capital items		
Accounts receivable	-	(29,575)
Sales taxes recoverable	28,227	(3,480)
Prepaid expenses and deposits	(8,751)	(10,355)
Accounts payable and accrued liabilities	(24,991)	9,126
	(5,515)	(34,284)
Cashflows used by operating activities	(101,946)	(124,837)
INVESTING ACTIVITIES		
Additions to exploration and evaluation assets	(4,556)	(10,042)
Advance to a related party	5,059	-
Cashflows from investing activities	503	(10,042)
FINANCING ACTIVITIES		
Issuance of shares on exercise of stock options	5,000	-
Issuance of shares on exercise of warrants	-	140,000
Cashflows from financing activities	5,000	140,000
Increase (decrease) in cash	(96,443)	5,121
Cash and cash equivalents, beginning of period	801,117	531,552
Cash and cash equivalents, end of period	\$ 704,674	\$ 536,673

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

INTERNATIONAL PROSPECT VENTURES INC.



Notes to Condensed Interim Financial Statements

June 30, 2018 and 2017

(unaudited)

(Expressed in Canadian dollars unless otherwise noted)

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.

2) GOING CONCERN

These condensed interim financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), under International Accounting Standard ("IAS") 34 -Interim Financial Reporting 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. These interim financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in Note 3 - Significant Accounting Policies, as described in the Company's annual audited financial statements for the year ended December 31, 2017, except for the changes in accounting policies resulting from the adoption of IFRS 9 Financial Instruments ("IFRS 9") and IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15") as described below. Interim financial statements do not include all the notes required in annual financial statements and, accordingly, should be read in conjunction with the annual financial statements for the year ended December 31, 2017.

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.

3) SIGNIFICANT ACCOUNTING POLICIES

New accounting standards

IFRS 9 -Financial Instruments

In July 2014, the IASB published IFRS 9 which replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces improvements which include a logical model for classification and measurement of financial instruments, a single, forward-looking "expected credit loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted.

INTERNATIONAL PROSPECT VENTURES INC.



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(unaudited)

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3) SIGNIFICANT ACCOUNTING POLICIES (continued)

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively, for ones that were recognized at the date of application, which was January 1, 2018. The change did not impact the carrying value of any financial instruments on this date.

Financial instruments

a) Classification

In implementing IFRS 9, the Company updated the financial instruments classification within its accounting policy. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial Assets/Liabilities	Original classification under IAS 39	New classification under IFRS 9
Cash and cash equivalents	Loans and receivables at amortized costs	Financial asset at amortized costs
Sales taxes recoverable	Loans and receivables at amortized costs	Financial asset at amortized costs
Advances to related party	Loans and receivables at amortized costs	Financial asset at amortized costs
Accounts payable and accrued liabilities	Other financial liabilities at amortized costs	Financial liabilities at amortized costs

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

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3) SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net income (loss) in the period in which they arise. Where Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

c) Impairment of financial assets at amortized cost

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

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, which is effective for fiscal years beginning on or after January 1, 2018 and is to be applied retrospectively. Early adoption is permitted. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. As of January 1, 2018, the Company has adopted IFRS 15 and has concluded that, based on its current operations, the adoption of IFRS 15 had no significant impact on the Company's financial statements.

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3) SIGNIFICANT ACCOUNTING POLICIES (continued)

Standard issued but not yet effective

IFRS 16 - Leases

In January 2016, the IASB published IFRS 16 –Leases, which will replace IAS 17 –Leases. This IFRS eliminates the classification as an operating lease and requires lessees to recognise a right-of-use asset and a lease liability for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods, changes the accounting for sale and leaseback arrangements, largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. The Company is currently in the process of assessing the impact of IFRS 16 on its financial statements.

IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments

IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") was issued by the IASB on June 7, 2017. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual period beginning on or after January 1, 2019. Earlier application is permitted. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The Company is currently in the process of assessing the impact of IFRIC 23 on its financial statements.

4) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the condensed interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the condensed interim financial statements are reasonable; however, actual results may differ materially from these estimates. The areas involving significant judgments, estimates and assumptions have been detailed in note 5 to the Company's annual audited financial statements for the year ended December 31, 2017.

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(Expressed in Canadian dollars unless otherwise noted)

5) CASH AND CASH EQUIVALENT

	As at June 30, 2018	As at December 31, 2017
Cash	\$ 654,674	\$ 751,117
Demand deposit ⁽¹⁾	50,000	50,000
	\$ 704,674	\$ 801,117

1) The deposit is due on demand, bears interest at 0.90% per annum and maturing on October 25, 2018.

6) EXPLORATION AND EVALUATION ASSETS

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

Porcupine Miracle Prospect	As at June 30, 2018	As at December 31, 2017
Opening	\$ 97,844	\$ 14,474
Additions	4,556	83,370
Ending	\$ 102,400	\$ 97,844

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

Additions	As at June 30, 2018	As at December 31, 2017
Claim maintenance	\$ 56	\$ 8,152
Geophysics	4,500	49,899
Geology	-	14,738
Other fees	-	581
Royalty advance payment	-	10,000
	\$ 4,556	\$ 83,370

Porcupine Miracle Prospect - Langmuir Township, Ontario

The Company owns a 100% interest in the Porcupine Miracle Prospect which comprises four (4) mining claims located in Langmuir Township in the province of Ontario, Canada. The property will be subject to a royalty in favor of 2973090 Canada Inc, a company controlled by the president, 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.

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(unaudited)

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7) EQUITY

a) Share Capital

Authorized

Unlimited number of voting common shares without par value.

Issue share capital

The change in issued share capital for the period was as follows:

	2018		2017	
	Number of shares	Stated Value	Number of shares	Stated Value
Balance on January 1,	25,103,128	\$ 3,330,832	18,654,996	\$ 2,465,310
Issuance of shares on exercise of stock options	100,000	9,000	-	-
Issuance of shares on settlement of debt	300,000	60,000	-	-
Issuance of shares on exercise of warrants	-	-	1,400,000	176,400
Balance on June 30,	25,503,128	\$ 3,399,832	20,054,996	\$ 2,641,710

Settlement of debt

On October 1, 2010, the Company entered into a Management and Administrative Services Agreement (the "Management Agreement") with Golden Valley Mines Ltd ("Golden Valley"), a controlling shareholder of the Company, pursuant to which Golden Valley will provide certain administrative, management and financial services such as office space, administrative support, including the use of Golden Valley's in house legal counsel for day to day general enquiries, services of a consultant and investors relations services to the Company in consideration of \$96,000 per year from each company, payable on a monthly basis, plus applicable taxes. However, Golden Valley suspended the management fees to the Company in 2013 to enable the Company to conserve cash for operations. On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which the Company agreed to terminate the Management Agreement, in exchange of a settlement fee of \$60,000 payable by the Company as consideration for its failure to pay the management fees since the date of suspensions of the respective Management Agreement.

On April 6, 2018, International Prospect announced that, subject to acceptance by the TSX Venture Exchange and with the intent of preserving its cash resources for operations, it proposed issuing approximately 300,000 common shares at a deemed per share price of \$0.20 in settlement of \$60,000 in accrued debt owing to the Company. On April 19, 2018, the Exchange accepted the shares for debt submission.

INTERNATIONAL PROSPECT VENTURES INC.



Notes to Condensed Interim Financial Statements

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(unaudited)

(Expressed in Canadian dollars unless otherwise noted)

7) EQUITY (continued)

Incentive stock option

On May 7, 2018, 100,000 stock options were exercised at a price of \$0.05 per share for total proceeds of \$5,000.

Warrants

There were no warrants outstanding as at June 30, 2018 and as at December 31, 2017 and no warrants were issued for the three and six months ended June 30, 2018. For the comparative periods in 2017, on May 23, 2017, a total of 1,400,000 warrants were exercised at a price of \$0.10 per share for total proceeds of \$140,000.

b) 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 TSX Venture Exchange (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.

A summary of changes in the number of incentive stock option for the six months ended June 30, 2018 and 2017 is presented as follows:

	2018		2017	
	Number of	Weighted	Number of	Weighted
	Options	average	Options	average
		exercise price		exercise price
Outstanding, as at January 1,	2,510,000	\$ 0.10	-	\$ -
Granted	-	-	-	-
Exercised	(100,000)	0.05	-	-
Cancelled	(150,000)	0.05	-	-
Outstanding, as at June 30,	2,260,000	\$ 0.11	-	\$ 0.10

INTERNATIONAL PROSPECT VENTURES INC.



Notes to Condensed Interim Financial Statements

June 30, 2018 and 2017

(unaudited)

(Expressed in Canadian dollars unless otherwise noted)

7) EQUITY (continued)

The table below summarizes the information related to outstanding share options as at June 30, 2018:

Expiry date	Exercise price	Number of Options
July 10, 2027	\$ 0.050	1,665,000
December 12, 2027	\$ 0.265	595,000
		2,260,000

8) LOSS PER SHARE

Earnings (loss) per share has been calculated using the weighted average number of common shares outstanding for the three and six months ended June 30, 2018 and 2017 as follows:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Net loss for the period	\$ 54,422	\$ 17,587	\$ 96,431	\$ 70,612
Weighted average number of common shares				
- Basic	25,286,644	19,254,996	25,195,393	18,956,653
Dilutive effect of stock options	-	-	-	-
Weighted average number of common shares				
- Diluted	25,286,644	19,254,996	25,195,393	18,956,653
Basic earnings (loss) per share	\$ 0.002	\$ 0.001	\$ 0.004	\$ 0.004
Diluted earnings (loss) per share	\$ 0.002	\$ 0.001	\$ 0.004	\$ 0.004

For the three and six months ended June 30, 2018, potential dilutive common shares from incentive stock options have not been included in the earnings (loss) per share calculation as they would result in a reduction of the loss per share.

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Notes to Condensed Interim Financial Statements

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(unaudited)

(Expressed in Canadian dollars unless otherwise noted)

9) ADDITIONAL CASH FLOW INFORMATION

The following significant non-cash transactions have been excluded from the Statements of Cash Flows:

	As at June 30,	
	2018	2017
Accounts payable included in exploration and evaluation assets	\$ -	\$ 29,718
Common shares issued in settlement of debt	90,000	-

10) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

As described in note 7, on January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which Golden Valley agrees to terminate the Management Agreement in exchange of a settlement fee of \$60,000. 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. On April 19, 2018, the Exchange accepted the shares for debt submission and therefore 300,000 common shares of the Company have been issued to Golden Valley.

b) Transactions with key management

Key management personnel of the Company are the members of the board of directors, as well as the President and Chief Executive Officer and the Chief Financial Officer. The compensation paid to key management is presented below:

For the three and six months ended June 30, 2018, the Company incurred fees of \$7,500 and \$15,000 with the former CFO (for the three and six months ended June 30, 2017 – \$7,500 and \$15,000, respectively). These fees are recorded under audit and accounting fees in the interim condensed statement of loss and comprehensive loss.

For the three and six months ended June 30, 2018, the Company incurred consultant fees of \$3,000 and \$3,000, respectively from Golden Valley relating to the services of the Company's CFO.

As at June 30, 2018, the Company has an advance to a director for an amount of \$24,775 which bears no interest and is repayable on demand.

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11) COMMITMENTS

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 of 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.