Condensed interim consolidated financial statements of

BeMetals Corp. (formerly BQ Metals Corp.)

Three months ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim consolidated financial statements of BeMetals Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these condensed interim consolidated financial statements.

BeMetals Corp. (formerly BQ Metals Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

		As at March 31, 2018		As at December 31, 2017
Assets				
Current assets				
Cash	**$**	**21,669**	$	105,869
Amounts receivable		**43,130**		43,130
Prepaid expenses		**1,250**		-
		66,049		148,999
Exploration and evaluation assets (Note 3)		**87,824**		-
Total assets	**$**	**153,873**	$	148,999
Liabilities and equity				
Current liabilities				
Trade and other payables	**$**	**385,598**	$	267,784
Total liabilities		**385,598**		267,784
Shareholder deficiency				
Share capital (Note 4)		**2,345,095**		2,345,095
Share subscriptions received in advance (Note 4)		**-**		-
Equity reserve		**386,362**		324,218
Deficit		**(2,963,182)**		(2,788,098)
Total deficiency		**(231,725)**		(118,785)
Total liabilities and equity	**$**	**153,873**	$	148,999

Nature of operations and going concern (Note 1)

Approved by the Board of Directors and authorized for issue on May 29, 2018:

"Clive T. Johnson" Director

"John Wilton" Director

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

BeMetals Corp. (formerly BQ Metals Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, **2018**	2017
Expenses		
Consulting	**$ 30,000**	$ 234,622
Foreign exchange	**1,508**	-
Management fees	**38,063**	-
Office and administration	**3,186**	5,306
Professional fees	**35,847**	235,861
Regulatory and transfer agent	**4,635**	7,366
Share-based compensation (Note 4)	**62,144**	-
Travel	**-**	27,995
	(175,383)	(511,150)
Finance income	**299**	-
	299	-
Net loss and comprehensive loss	**$ (175,084)**	$ (511,150)
Basic and diluted loss per share	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**56,798,577**	51,674,981

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

BeMetals Corp. (formerly BQ Metals Corp.)
Condensed Interim Consolidated Statements of Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share capital		Share subscriptions received in advance	Equity reserve	Deficit	Total equity (deficiency)
	Shares issued	Amount				
At December 31, 2016	32,798,577	$ 921,133	$ 199,980	$ 324,218	$ (1,000,308)	$ 445,023
Private placement	24,000,000	1,440,000	(199,980)	-	-	1,240,020
Share issue costs	-	(16,038)	-	-	-	(16,038)
Net loss and comprehensive loss	-	-	-	-	(511,150)	(511,150)
At March 31, 2017	56,798,577	2,345,095	-	324,218	(1,511,458)	1,157,855
Net loss and comprehensive loss	-	-	-	-	(1,276,640)	(1,276,640)
At December 31, 2017	56,798,577	2,345,095	-	324,218	(2,788,098)	(118,785)
Share-based compensation	-	-	-	62,144	-	62,144
Net loss and comprehensive loss	-	-	-	-	(175,084)	(175,084)
At March 31, 2018	56,798,577	$ 2,345,095	$ -	$ 386,362	$ (2,963,182)	$ (231,725)

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

BeMetals Corp. (formerly BQ Metals Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2018		2017	
Operating activities				
Net loss	**$**	**(175,084)**	$	(511,150)
Adjusted for:				
Share-based compensation		**62,144**		-
Changes in non-cash working capital items:				
Amounts receivable		**-**		(20,063)
Prepaid expenses		**(1,250)**		-
Trade and other payables		**92,525**		148,082
Cash used in operating activities		**(21,665)**		(383,131)
Investing activities				
Exploration and evaluation expenditures		**(62,535)**		-
Cash used in investing activities		**(62,535)**		-
Financing activities				
Private placement, net of share issue costs		**-**		1,223,982
Cash provided by financing activities		**-**		1,223,982
Increase (decrease) in cash		**(84,200)**		840,851
Cash and cash equivalents, beginning of period		**105,869**		488,599
Cash and cash equivalents, end of period	**$**	**21,669**	$	1,329,450
Cash and cash equivalents is comprised of:				
Cash	**$**	**21,669**	$	1,079,450
Term deposits		**-**		250,000
	$	**21,669**	$	1,329,450

Supplemental disclosure with respect to cash flows (Note 8)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated on February 4, 2008 under the Business Corporations Act of the Province of British Columbia. In March 2010, the Company completed its initial public offering and commenced trading on Tier 2 of the TSX Venture Exchange ("TSX-V") as a Capital Pool Company ("CPC"). As a CPC, the Company has no material commercial operations and no material assets other than cash and its principal business is the identification and evaluation of assets and to negotiate an acquisition of or participation in a business (the "Qualifying Transaction").

In February 2018, the Company entered into a letter agreement (the "Agreement") to acquire up to a 72% interest in the Pangeni Project in the Zambian Copperbelt (the "Pangeni Project") (Note 3), which the Company intends to file with the TSX-V as its Qualifying Transaction. The Agreement and acquisition remains subject to approval by the TSX-V.

The Company continues to identify and evaluate other potential opportunities as part of its growth strategy with the goal of becoming a significant base metals company through the acquisition of quality exploration, development and production stage base metal projects.

In April 2018, the Company changed its name to BeMetals Corp. from BQ Metals Corp. (previously Miza Enterprises Inc.). In connection with the name change, the Company's trading symbol on the NEX board of the TSX Venture Exchange was changed to "BMET.H". The Company's head office address is 3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1. The registered and records office address is 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2018, the Company had a working capital deficit of $231,725. The Company has incurred negative cash flows from operations of $21,665, recorded a loss of $175,084 for the three months ended March 31, 2018, and has an accumulated deficit of $2,963,182 as at March 31, 2018. The Company does not currently have a recurring source of revenue and does not currently have sufficient financial resources to fund on-going operating expenditures and the Company's development plan. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The uncertainty of the Company's success in raising additional capital funding casts significant doubt on the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting on a basis consistent with the accounting policies disclosed in the audited financial statements for the year ended December 31, 2017.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the most recently issued annual financial statements of the Company, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented as Note 3 to the financial statements for the year ended December 31, 2017, and have been consistently applied in the preparation of these unaudited condensed interim consolidated financial statements.

2. BASIS OF PRESENTATION (continued)

(b) Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Key Source of Estimation Uncertainty

Share-based payments

Share-based compensation expense is measured by reference to the fair value of the share options at the date at which they are granted. Estimating fair value for granted share options 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, volatility, dividend yield, risk-free interest rate, and making assumptions about them. The fair value of the share-based compensation expense for the period along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 4.

(c) Principles of consolidation

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All intercompany balances and transactions are eliminated upon consolidation.

The Company has two inactive subsidiaries incorporated in British Columbia, Canada. The functional currency of these entities and the Company is the Canadian dollar.

(d) Adoption of new accounting policies

Effective January 1, 2018, the following standards were adopted but have had no material impact on the financial statements:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement of financial assets, which is effective for annual periods beginning on or after January 1, 2018. The Company does not expect the adoption of this standard to have a significant measurement impact on its consolidated financial statements.

2. BASIS OF PRESENTATION (continued)

(d) Adoption of new accounting policies (continued)

Exploration and Evaluation Assets

Exploration and evaluation expenditures are capitalized on a property by property basis once the legal right to explore a property has been acquired, and future economic benefits are more likely than not to be realized. These include the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold, or considered impaired in value. Costs incurred before the Company has obtained the legal right to explore, as well as indirect administrative costs, are expensed as incurred.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. EXPLORATION AND EVALUATION ASSETS

In February 2018, the Company entered into the Agreement with Copper Cross Zambia Limited. Pursuant to the Agreement the Company has the right to acquire up to a 72% interest in the Pangeni Project in Zambia. The initial 67.5% interest can be acquired by the Company paying US$300,000 cash, issuing a total of 500,000 common shares, incurring US$2.5 million in exploration work, all prior to the second anniversary, and then completing a preliminary economic assessment and making a further cash payments of US$1,150,000 prior to the fifth anniversary. The Company may acquire an additional 4.5% interest by funding a feasibility study on the project and making a further cash payment of US$750,000.

During the three months ended March 31, 2018, the Company advanced US$50,000 ($62,535) towards the cash payment obligations and accrued exploration costs of US$19,592 ($25,289) for total exploration and evaluation asset expenditures of US$69,592 ($87,824).

4. EQUITY

(a) Authorized

Unlimited common shares with no par value
Unlimited preferred shares with no par value

(Expressed in Canadian dollars)

4. EQUITY (continued)

(b) Issued and fully paid common shares

In January 2017, the Company completed a common share stock split on the basis of three new common shares for each one old common share. All common share and common per share amounts in these financial statements have been retroactively restated to reflect the stock split.

There were no common shares issued during the three months ended March 31, 2018.

During the three months ended March 31, 2017, the Company closed a non-brokered private placement of 24,000,000 common shares at a price of $0.06 per share for gross proceeds of $1,440,000.

Proceeds of $199,980 relating to this non-brokered private placement were received during the period ended December 31, 2016. Cash share issue costs of $16,038 were incurred in relation to the private placement.

As at March 31, 2018, 56,798,577 common shares were issued and outstanding (December 31, 2017: 56,798,577 shares).

(c) Escrow shares

The Company entered into an escrow agreement with certain shareholders in December 2009. Shares will remain in escrow until the Company completes a Qualifying Transaction and then will be released over the course of 36 months.

As at March 31, 2018, 4,108,572 (December 31, 2017: 4,108,572) shares remained in escrow.

(d) Share options

The Company has adopted an incentive share option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with TSX-V requirements, grant non-transferable share options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options. Each option vesting period is determined on a grant by grant basis by the Board of Directors.

During the three months ended March 31, 2018, the Company granted an aggregate of 2,250,000 share options to an officer of the Company, exercisable at a price of $0.24 per share until February 27, 2028, vesting over a period of three years. Using the Black-Scholes option pricing model, the fair value per option granted was $0.18 per option and the share based compensation expense recognized for the vesting of these options to March 31, 2018, was $62,144. The following weighted average assumptions were used for the valuation of the share options:

	2018
Risk-free interest rate	2.17%
Expected life (years)	8.5 years
Annualized volatility	75.00%
Dividend rate	0.00%

There were no share options granted during the three months ended March 31, 2017.

(Expressed in Canadian dollars)

4. EQUITY (continued)

(d) Share options

Following is a summary of changes in share options outstanding:

	Number of options	Weighted average exercise price
Balance, December 31, 2016 and 2017	3,270,000	$ 0.06
Granted	2,250,000	0.24
Balance, March 31, 2018	5,520,000	$ 0.13

The following table summarizes information about share options outstanding at March 31, 2018:

Outstanding	Exercisable	Exercise price	Expiry date
3,270,000	3,270,000	$ 0.06	December 9, 2026
2,250,000	250,000	0.24	February 27, 2028
5,520,000	3,520,000		

5. RELATED PARTY TRANSACTIONS

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 members of the Company's Board of Directors and corporate officers.

During the three months ended March 31, 2018, key management personnel compensation, including directors and officers, was comprised of $98,557 (three months ended March 31, 2017: $nil), $62,144 of which related to share options granted to an officer of the Company and $36,413 of which was management fees to the Chief Executive Officer of the Company. As at March 31, 2018, $18,266 was due to the Chief Executive Officer of the Company and is included in trade and other payables in the statement of financial position.

6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. Amounts receivable is comprised of GST refundable from the Canadian Government. The maximum exposure to credit risk is equal to the fair value or carrying value of these financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Historically, the Company's source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain and there

6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

can be no assurance of continued access to significant funding from these sources. Management has concluded that the Company does not have adequate financial resources to settle obligations as at March 31, 2018, and will require additional funding to continue operations for the next twelve months (Note 1).

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company maintains Canadian and US dollar bank accounts in Canada. The Company is subject to gains and losses from fluctuations in the US dollar against the Canadian dollar.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction in accordance with Policy 2.4 of the TSX-V. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V. There were no changes in the Company's approach to capital management during the three months ended March 31, 2018.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing or financing transactions included:

- Included in trade and other payables at March 31, 2018, is $25,289 (December 31, 2017: $nil) of accrued exploration and evaluation costs.

No cash was paid for interest or income taxes during the three months ended March 31, 2018 and 2017.