SVT Capital Corp.

(Formerly Verona Development Corp.)

Condensed Interim Financial Statements

Nine months ended December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

NOTICE TO READER

These condensed interim financial statements of SVT Capital Corp. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to the financial statements and the related Management Discussion and Analysis.

SVT Capital Corp. (Formerly Verona Development Corp.)
Condensed Interim Statements of Financial Position
(Unaudited - expressed in Canadian dollars)

	Notes	December 31, 2016	March 31, 2016
ASSETS			
Current assets			
Cash		$ 5,960	$ -
Other current assets	*4*	5,000	1,560
GST receivable		9,562	4,670
Marketable securities	*5*	13,028	6,514
		$ 33,550	$ 12,744
LIABILITIES			
Current liabilities			
Bank indebtedness		$ -	$ 9
Accounts payable and accrued liabilities	*6*	116,775	452,095
Loan payable	*7*	34,500	10,500
		151,275	462,604
SHAREHOLDERS' DEFICIENCY			
Obligation to issue shares	*9*	40,500	-
Share capital	*9*	10,787,880	10,527,764
Share-based payment reserve	*9*	2,466,778	2,289,394
Accumulated other comprehensive loss		3,257	(3,257)
Deficit		(13,416,140)	(13,263,761)
		(117,725)	(449,860)
		$ 33,550	$ 12,744

Nature of business and going concern	*1*
Subsequent event	*12*

Approved and authorized on behalf of the Board of Directors on February 28, 2017:
"Konstantin Lichtenwald"
"Anthony Jackson"

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

SVT Capital Corp. (Formerly Verona Development Corp.)
Condensed Interim Statements of Comprehensive Loss
(Unaudited - expressed in Canadian dollars)

		Three months ended		Nine months ended	
	Notes	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Expenses					
Consulting fees		$ 63,200	$ -	$ 70,700	$ -
Management fees	*8*	16,045	-	46,045	15,000
Office and miscellaneous		3,947	197	7,697	1,148
Professional fees		8,359	-	8,878	1,157
Regulatory, transfer and filing fees		13,768	572	19,059	2,187
Net loss for the period		(105,319)	(769)	(152,379)	(19,492)
Other comprehensive income (loss)					
Unrealized income (loss) on marketable securities	*5*	-	-	6,514	(3,257)
Comprehensive loss for the period		$ (105,319)	$ (769)	$ (145,865)	$ (22,749)
Basic and diluted loss per share		$ (0.05)	$ (0.00)	$ (0.11)	$ (0.02)
Weighted average number of common shares outstanding		2,027,012	1,070,490	1,390,490	1,070,490

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

SVT Capital Corp. (Formerly Verona Development Corp.)
Condensed Interim Statements of Cash Flows
(Unaudited - expressed in Canadian dollars)

	Three months ended December 31, 2016	Three months ended December 31, 2015	Nine months ended December 31, 2016	Nine months ended December 31, 2015
Cash provided from (used in)				
Continuing operations:				
Operating activities				
Net loss from continuing operations	$ (105,319)	$ (769)	$ (152,379)	$ (19,492)
Items not involving cash:				
Depreciation	-	-	-	530
Net change in non-cash working capital				
Receivables	(2,805)	(28)	(4,892)	(163)
Other current assets	(5,000)	-	(3,440)	-
Accounts payable and accrued liabilities	(360,055)	637	(335,329)	18,543
Cash used in operating activities	(473,179)	(160)	(496,040)	(582)
Financing activities				
Proceeds from private placements	437,500	-	437,500	-
Share subscriptions received	40,500	-	40,500	-
Loan payable	-	-	24,000	-
Cash flows from financing activities	478,000	-	502,000	-
Change in cash for the period	4,821	(160)	5,960	(582)
Cash, beginning	1,139	278	-	700
Cash, ending	$ 5,960	$ 118	$ 5,960	$ 118

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

SVT Capital Corp. (Formerly Verona Development Corp.)
Condensed Interim Statements of Changes in Shareholders' Deficiency
(Unaudited - expressed in Canadian dollars)

	Note	Number of shares	Share capital	Obligation to issue shares	Share-based payment reserve	Investment revaluation reserve	Deficit	Total shareholders' deficiency
Balance, March 31, 2015		1,070,490	$ 10,527,764	$ -	$ 2,289,394	$ -	$(13,424,433)	$ (607,275)
Net loss		-	-	-	-	-	(19,492)	(19,492)
Unrealized loss on marketable securities (net of deferred income tax)	*5*	-	-	-	-	(3,257)	-	(3,257)
Balance, December 31, 2015		1,070,490	$ 10,527,764	$ -	$ 2,289,394	$ (3,257)	$(13,443,925)	$ (630,024)
Balance, March 31, 2016		1,070,490	$ 10,527,764	$ -	$ 2,289,394	$ (3,257)	$(13,263,761)	$ (449,860)
Shares issued for cash		4,000,000	440,000	-	-	-	-	440,000
Shares subscription receivable		-	(2,500)	-	-	-	-	(2,500)
Obligation to issue shares		-	-	40,500	-	-	-	40,500
Warrants granted		-	(177,384)	-	177,384	-	-	-
Net loss		-	-	-	-	-	(152,379)	(152,379)
Unrealized gain on marketable securities	*5*	-	-	-	-	6,514	-	6,514
Balance, December 31, 2016		5,070,490	$ 10,787,880	$ 40,500	$ 2,466,778	$ 3,257	$(13,416,140)	$ (117,725)

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

1. Nature of Business and Going Concern

SVT Capital Corp. (the "Company") is an exploration stage enterprise incorporated under the laws of British Columbia under the name Verona Development Corp. On August 19, 2016, its name was changed to SVT Capital Corp. The Company's shares are trading on the TSX Venture Exchange under the new symbol "VTC". The Company is engaged in the acquisition of exploration and evaluation assets.

The head office, registered and principal address and records office of the Company are located at 3002 – 1211 Melville Street, Vancouver, British Columbia, Canada.

These condensed interim financial statements have been prepared on the assumption the Company will continue as a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Management believes that the Company does not have sufficient funds to meet planned expenditures over the next twelve months and will need to seek additional equity financing. While 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 acceptable to the Company. These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon the continued support of its shareholders and related parties, obtaining additional financing, and generating revenues sufficient to cover operating costs.

These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. Significant Accounting Policies

The condensed interim financial statements were authorized for issue on February 28, 2017 by the directors of the Company.

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards (IASB) and interpretations of the International Reporting Interpretations Committee (IFRIC).

Basis of presentation

These condensed interim financial statements have been prepared using the same accounting policies and methods of their application as the most recent annual financial statements of the Company for the year ended March 31, 2016. These condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments which are measured at fair value. These condensed interim financial statements are presented in Canadian dollars, unless otherwise indicated.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of equipment, fair value measurements for financial instruments, accrued lease obligation, the recoverability and measurement of deferred tax assets, and contingent liabilities.

2. Significant Accounting Policies (continued)

Significant estimates and assumptions (continued)

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty, and the classification of financial instruments.

Foreign currency translation

The functional currency of an entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exploration and evaluation assets

The Company capitalizes all direct costs related to the acquisition of exploration and evaluation assets. Exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and a decision to proceed with development are charged to operations as incurred.

The Company's exploration and evaluation assets are assessed for impairment when the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company's criteria for testing impairment includes, but is not limited to, when:

(i) Exploration rights for a specific area have expired or are expected to expire in the near future and these rights are not expected to be renewed;

(ii) Substantive expenditures on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned;

(iii) Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and / or

(iv) Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

2. Significant Accounting Policies (continued)

Exploration and evaluation assets (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an impairment test is performed and, as a result of this test, it is determined that the carrying amount of an exploration and evaluation asset exceeds its recoverable amount, a provision is made for the decline in value and charged against operations in the year.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to share-based payment reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Income (loss) per share

Basic income (loss) per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, basic income (loss) per share equals the dilutive income (loss) per share. Diluted income (loss) per share is calculated by using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

2. Significant Accounting Policies (continued)

Financial instruments (continued)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are initially measured at fair value and subsequently measured at amortized cost.

On the Company's statement of financial position, cash and receivables are classified as loans and receivables; marketable securities are classified as available for sale; and accounts payable is classified as non-derivative financial liabilities.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Impairment of assets

The carrying amounts of the Company's assets (which include equipment and exploration and evaluation assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous periods.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

2. Significant Accounting Policies (continued)

Income taxes (continued)

Current income tax (continued)

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for resource property interest.

The Company has no material restoration, rehabilitation and environmental obligations.

Leases

Leases of equipment where substantially all the risks and benefits incidental to the ownership of the asset are transferred the Company are classified as finance leases.

(Unaudited - expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

Leases (continued)

Finance leases are capitalized by recording an asset and a liability at the lower of the fair value of the leasehold interest in property, plant and equipment or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognized as a liability and amortized on a straight-line basis over the life of the lease term.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation and amortization rates applicable to each category of equipment are as follows:

Class of equipment	Depreciation rate
Office and other equipment	20%

3. New Accounting Standards, Interpretations and Amendments Issued But Not Yet Effective

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". 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. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

New standard IFRS 16 "Leases"

IFRS 16 "Leases" replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. The Company has not yet assessed the future impact of this new standard on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Unaudited - expressed in Canadian dollars)

4. Other Current Assets

		December 31, 2016		March 31, 2016
Prepaid expenses	$	5,000	$	1,560

5. Marketable Securities

The Company's marketable securities consist of shares in Global Hunter Corp. The fair market value of the shares is summarized as follows:

	Number of shares		December 31, 2016	Number of shares		March 31, 2016
Balance, beginning	325,687	$	6,514	325,687	$	9,771
Increase (decrease) in fair value	-		6,514	-		(3,257)
Balance, ending	325,687	$	13,028	325,687	$	6,514

The fair value of the shares December 31, 2016, has been determined by reference to the closing price of the shares on the TSX-V on December 31, 2016. At that date, the closing price was $0.04 per share (March 31, 2016 - $0.02).

During the year ended March 31, 2015, the Company determined that, as a result of a significant and prolonged decline in the value of the shares, the investment was impaired and therefore recognized a charge of $4,885 in net loss.

6. Accounts Payable and Accrued Liabilities

		December 31,2016		March 31, 2016
Accounts payable	$	45,725	$	37,395
Accrued liabilities		-		8,000
Due to related parties (Note 8)		71,050		406,700
	$	116,775	$	452,095

7. Loan Payable

The loan payable is non-interest bearing, unsecured, and is due on demand. As at December 31, 2016, $24,500 was owed to a director and a company controlled by a director.

8. Related Party Transactions and Balances

a) Due to related parties

The following amounts are due to related parties:

		December 31, 2016		March 31, 2016
Due to a relative of a director of the Company	$	-	$	343,700
Due to a company controlled by a director of the Company (Note 6)		71,050		63,000
	$	71,050	$	406,700

Pursuant to a Payment Commitment Confirmation signed on October 4, 2011, the Company is recording a recovery of expenses with a company controlled by a former director that were charged to operations during a prior financial year. The commitment is to pay $12,500 per month in installments, commencing October 2011, for recovery of such expenses which totaled $425,000. During the nine months ended December 31, 2016, the Company recovered $Nil (2015 - $Nil). Due to uncertainty of recovery, recoveries were recorded in the accounts as and when received by the Company. The $425,000 was fully recovered by March 31, 2015.

Amounts due to related parties are unsecured, non-interest-bearing and are repayable on demand.

(Unaudited - expressed in Canadian dollars)

8. Related Party Transactions and Balances (continued)

b) The Company was charged the following amounts by directors, officers or companies owned by current and former officers and directors for the three and nine months ended December 31, 2016 and 2015, as follows:

	Three months ended		Nine months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Management fees	$ 16,045	$ -	$ 46,045	$ 15,000

c) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the three and nine months ended December 31, 2016 and 2015 were as follows:

	Three months ended		Nine months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Short-term benefits	$ 16,045	$ -	$ 46,045	$ 15,000

9. Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Issued share capital

The Company had 5,070,490 common shares issued and outstanding as at December 31, 2016 (March 31, 2016 – 1,070,490).

On October 7, 2016, the Company closed the first tranche of a non-brokered private placement of 1,818,181 units at a price of 11 cents per unit for gross proceeds of $200,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of 15.5 cents, expiring one year from the issuance date. The securities issued under the first tranche are subject to a hold period expiring on February 8, 2017. The net proceeds of the first tranche will be applied to the Company's general working capital.

On November 18, 2016, the Company closed the second tranche of a non-brokered private placement of 2,181,819 units at a price of 11 cents per unit for gross proceeds of $240,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of 15.5 cents, expiring one year from the issuance date.

On May 17, 2016, the Company consolidated its issued and outstanding share capital on the basis of one post-consolidation share for each 30 pre-consolidation common shares.

c) Obligation to issue shares

During the nine months ended December 31, 2016, the Company received $40,500 in share subscriptions toward a private placement which has not closed at December 31, 2016.

d) Options

The Company has established a rolling stock option plan (the "Plan") in which the maximum number of shares that can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options in set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSX-V.

The Company does not have any stock options outstanding as of December 31, 2016 and March 31, 2016.

(Unaudited - expressed in Canadian dollars)

9. Share Capital (continued)

e) Warrants

A summary of share purchase warrant activities are as follows:

	Number of warrants	Weighted average exercise price
Outstanding and exercisable at March 31, 2016	**-**	**$ -**
Issuance of warrants	4,000,000	$ 0.155
Outstanding and exercisable at December 31, 2016	4,000,000	$ 0.155

The fair value of these warrants were valued at $177,384. The fair value of warrant at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 0.73% an expected life of warrants of 1 year, an expected volatility of 169.35%, and no expected dividends.

A summary of the share purchase warrants issued at December 31, 2016 is as follows:

	Warrants issued and exercisable	Exercise price	Expiry date
Share purchase warrants	4,000,000	$ 0.155	December 9, 2017
	4,000,000		

The weighted average life of warrants outstanding at December 31, 2016 is 0.94 years.

f) Reserves

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Investment revaluation reserve

The investment revaluation reserve records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses and foreign exchange gains and losses on monetary items.

g) Basic and diluted loss per share

The Company has no dilutive securities outstanding. Loss per share has been calculated reflecting the subsequent 30:1 share consolidation.

10. Segmented Information

The Company is involved in one industry segment comprising the acquisition of exploration and evaluation assets.

11. Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

11. Risk and Capital Management (continued)

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in bank accounts held with major banks in Canada. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist of refundable government goods and services taxes.

(b) 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 that there are sufficient funds to meet its short-term business requirements, taking into account anticipated cash flows from operations and holdings of cash.

At December 31, 2016, the Company has current liabilities of $151,275 that are either overdue or payable within the next twelve months. Historically, the Company's source of funding has been the issuance of equity securities for cash, primarily through private placements, loans and advances from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding, or continued support from related parties by way of loans or advances.

(c) Market risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and other price risk. These are discussed further below:

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 is exposed to interest rate risk on its cash and this risk is considered minimal.

Currency 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 respective functional currency. The Company operates in Canada and therefore is not exposed to currency risk.

Commodity Price Risk

Commodity price risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in commodity prices. The Company's financial instruments are not exposed to risk resulting from price fluctuations of commodities.

Other Price Risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk, price risk or foreign exchange risk. The Company is exposed to changes in market prices as this can impact the value of its marketable securities.

(d) Capital management

The Company's policy is to maintain a sufficient capital base to sustain investor and creditor confidence and future development of its business. The capital structure of the Company consists of share and working capital. There

11. Risk and Capital Management (continued)

(d) Capital management (continued)

were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

(e) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount because of the short-term nature of these instruments.

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 that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments measured at Level 1 include cash and marketable securities. The Company has classified its cash as loans and receivables, and marketable securities as available-for-sale financial assets using level 1 inputs. Accounts payable and loan payable are classified as non-derivative financial liabilities.

12. Subsequent Events

Private Placement

Subsequent to quarter end, the Company closed its $60,000 non-brokered private placement. The private placement consisted of the issuance of 400,000 units at a price of 15 cents per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of 20 cents expiring one year from the issuance date. The net proceeds of the non-brokered private placement will be applied to the Company's general working capital.

Letter of Intent with Delta 9 Bio-Tech Inc.

On February 28, 2017, the Company has entered into a letter of intent, effective Feb. 27, 2017, with Delta 9 Bio-Tech Inc., an arm's-length Manitoba-based licensed producer of medical cannabis, pursuant to which SVT has agreed to acquire all of the securities of Delta. Pursuant to the terms of the LOI, the shareholders of Delta will receive one common share of SVT (each, a "SVT Share") for each share of Delta held. In connection with the completion of the Transaction (the "Closing"), SVT intends to change its name to "Delta 9 Cannabis Inc." or such other name as may be agreed by the parties.

The Transaction will result in the reverse takeover of SVT by Delta (as defined in the policies of the TSX Venture Exchange (the "TSXV")). SVT and Delta are parties dealing at arm's length, therefore the Transaction will not be a non-arms' length transaction under the policies of the TSXV. Upon successful completion of the Transaction, it is anticipated that SVT will be listed as a Tier 2 Industrial issuer on the TSXV.

Terms of the Transaction
It is anticipated that the completion of the Transaction will involve, among other things, the following steps, but the parties may agree to a different structure based on tax efficiencies and the advice of legal and financial advisors:

SVT will assist Delta in obtaining a secured bridge loan in the minimum amount of $3,000,000 (the "Bridge Loan"), which will be advanced to Delta concurrently with the execution of the formal agreement (the "Formal Agreement") for the Transaction. The terms of the Bridge Loan are expected to include, but not be limited to: (a) an interest rate of 10% per annum; (b) a maturity date of one year from the date of the advance of the Bridge Loan (the "Maturity Date"); (c) principal and accrued interest payable on the Maturity Date; (d) security to be evidenced by a general security

12. Subsequent Events (continued)

Letter of Intent with Delta 9 Bio-Tech Inc. (continued)

agreement (a "GSA"), to be executed by Delta in favour of the lender(s), granting to the lender(s) a security interest in all present and after acquired property and any real estate interests held by Delta; and (e) all principal plus accrued but unpaid interest thereon being convertible, on the Closing, into SVT Shares; SVT will acquire all the shares of Delta by way of a three-cornered amalgamation between SVT, Delta and a wholly-owned subsidiary of SVT ("Newco") to be formed for the purpose of completing the amalgamation;

shareholders of Delta will receive one SVT Share for each share of Delta, provided that the number of SVT Shares shall not exceed 44,648,596 SVT Shares; SVT will complete a financing to raise gross proceeds of at least $3,000,000, on terms to be determined (the "Concurrent Financing").

As at the date hereof, SVT has 5,470,490 SVT Shares issued and outstanding and Delta has 35,000,000 Class A common voting shares (the "Class A Shares") and 6,148,596 Class B common voting shares (the "Class B Shares") issued and outstanding, on an undiluted basis. Certain of the SVT Shares issuable pursuant to the Transaction and the Concurrent Financing will be subject to the escrow requirements of the TSXV or hold periods as required by applicable securities laws. It is not expected that shareholder approval will be required for the Transaction under the policies of the TSXV. A summary of significant financial information with respect to Delta will be included in a subsequent news release.

Completion of the Transaction will be subject to certain conditions which may be waived by the parties, including:

- completion of satisfactory due diligence by the parties; SVT and Delta obtaining the consent of any parties from whom consent to the consummation of the Transaction is required, including shareholders of Delta, the TSXV and other applicable regulatory authorities, and the shareholders of SVT if required;
- completion of the Concurrent Financing;
- Delta purchasing all of the assets of Delta 9 Bio-Tech Limited Partnership (the "Partnership Buyout"); insiders of SVT having executed a pooling agreement;
- SVT having not more than $10,000 in outstanding liabilities on Closing (excluding costs related to the consummation of the Transaction) and Delta having positive working capital as of Closing;
- and other standard closing conditions, including there being no material adverse change in relation to the business of SVT or Delta, the representations and warranties of the parties in the remaining true and accurate of at the closing of the Transaction, and there being no material action, claim, demand, investigation or other proceeding in progress, pending or threatened against SVT or Delta, which involve the reasonable likelihood of any judgment or liability against either party.

Each of SVT and Delta have agreed to pay a break fee in the event that: (a) there has been a breach or failure to perform any covenant or agreement of the LOI or the Formal Agreement that would result in the Transaction not being consummated; (b) either party abandons the Transaction for any reason other than failing to proceed as a result of its due diligence review; or (c) either party accepts or enters into an agreement with respect to transaction other than the Transaction.