BLACK BULL RESOURCES INC.

Filing Statement

with respect to a Reverse Takeover Transaction
pursuant to Policy 5.2 of the TSX Venture Exchange

Dated as at May 29, 2019

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Reverse Takeover described in this filing statement.

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GLOSSARY

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

"**Acquisition**" means the acquisition of the Target Assets by Black Bull from the Vendors pursuant to the Purchase Agreement.

"**Affiliate**" means a Company that is affiliated with another Company as described below:

A Company is an "Affiliate" of another Company if

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

(a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person, or

(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"**Arm's Length Transaction**" has the meaning given to such term in Policy 1.1 of the TSXV.

"**Bioshield**" means Bioshield Corp., a corporation incorporated pursuant to the laws of the Province of Ontario.

"**Black Bull**" or the "**Corporation**" means Black Bull Resources Inc., a corporation continued under the CBCA.

"**Black Bull Options**" means options to acquire Common Shares.

"**Black Bull Shareholders**" means the holders of the Common Shares.

"**Board**" means the board of directors of Black Bull.

"**CBCA**" means the *Canada Business Corporations Act*, as amended.

"**Chen Debt**" means the $19,152 owed by the Vendors to Eugene Chen Professional Corporation.

"**Closing**" means the closing of the Transactions.

"**Common Shares**" means the common shares in the capital of Black Bull.

"**Company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Control Person**" has the meaning given to such term in Policy 1.1 of the TSXV.

"**Effective Time**" means the effective time of the Acquisition.

"**Final Exchange Bulletin**" means the TSXV Bulletin which is issued following closing of the Acquisition and the submission of all required documentation and that evidences the final TSXV acceptance of the Acquisition.

"**Filing Statement**" means this filing statement.

“**Foamtech**” means Foamtech North America Ltd., a corporation incorporated pursuant to the laws of the Province of British Columbia.

"**Forward-Looking Statements**" has the meaning given to that term in the section entitled "*General Information - Cautionary Statement Regarding Forward-Looking Information*".

"**Ignite**" means Ignite Collaboration Services Group, Inc., a corporation incorporated pursuant to the laws of the Province of Alberta.

"**Insider**" if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of the Company that is an Insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities.

"**Investment Policy**" means the investment policy of the Resulting Issuer attached hereto as Schedule B.

"**Non-Arm’s Length Party**" has the meaning given to such term in Policy 1.1 of the TSXV.

"**Parties**" means Black Bull and the Vendors, and "**Party**" means any one of them.

"**Person**" means any individual or Company, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"**Power Symmetry**" means Power Symmetry Inc., a corporation incorporated pursuant to the laws of the Province of Ontario.

"**Preferred Shares**" means the Series A Preferred Shares

"**Previcare**" means Previcare Corp., a corporation incorporated pursuant to the laws of the Province of Ontario.

"**Private Placement**" means the non-brokered private placement of Common Shares and Series A Preferred Shares for gross proceeds of up to $3,200,000 as described further under the heading "*Private Placement*".

"**Purchase Agreement**" means the Asset Purchase Agreement dated September 18, 2017, among Black Bull and the Vendors, as amended and restated on May 26, 2018.

"**REM**" means Renewable Energy Minerals Limited, a corporation incorporated pursuant to the laws of the Province of British Columbia.

"**REM Agreement**" means the share purchase agreement dated April 17, 2014, between Black Bull and

REM, pursuant to which, *inter alia*, Black Bull has agreed to issue 537,780 Common Shares, at a deemed price of $0.10 per Common Share, to REM in connection with the settlement of the REM Debt.

"**REM Debt**" means the amount of $53,778 owed to REM pursuant to the REM Agreement.

"**Resulting Issuer**" means Black Bull after the consummation of the Transactions.

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer after Closing, such board to be comprised of Andrew Osis, Kevin Spall, Ian Wild, Trent Larson and Dennis Nerland.

“**Resulting Issuer Common Shares**” means the common shares in the capital of the Resulting Issuer.

"**Resulting Issuer Shareholders**" means the holders of the Resulting Issuer Shares after Closing.

"**Resulting Issuer Series A Preferred Shares**" means the Series A Preferred Shares in the capital of the Resulting Issuer, the terms of which are attached hereto as Schedule A.

"**Resulting Issuer Shares**" means, collectively, the Resulting Issuer Common Shares and the Resulting Issuer Series A Preferred Shares.

"**Series A Preferred Shares**" means the Series A Preferred Shares in the capital of Black Bull, the terms of which are attached hereto as Schedule A.

"**SEC**" has the meaning given to that term in the section entitled "*General Information - Note to U.S. Shareholders*".

"**Target Assets**" means:

(a) 15 common shares in the capital of Bioshield;

(b) 500 common shares in the capital of Ignite;

(c) 40 common shares in the capital of Power Symmetry; and

(d) 15 common shares in the capital of Previcare.

"**Target Companies**" means Bioshield, Ignite, Power Symmetry, Foamtech and Previcare, and any one shall be referred to as a "**Target Company**".

"**Transactions**" means the transactions contemplated in this Filing Statement, namely the Acquisition and the Private Placement.

"**TSX**" means the Toronto Stock Exchange.

"**TSXV**" means the TSX Venture Exchange.

"**Vendors**" or "**Magnetic North Team**" means Andrew Osis, Kevin Spall and Ian Wild.

"**White Rock Assets**" means the White Rock Mine located near Shelburne and comprising an exploration license consisting of 78 claims, a mining lease and a mineral lease, which property covers approximately 1,650 hectares of land in Yarmouth County, Nova Scotia, and as is described further in Black Bull's Resource Report for the White Rock Quartz, Kaolin and Mica Deposit dated April 18, 2016.

"**Wood Debt**" means the amount of $32,595 owed to David Wood by Black Bull pursuant to the Wood Promissory Notes.

"**Wood Promissory Notes**" means the non-interest-bearing promissory notes delivered by Black Bull in favour of David Wood, in the aggregate amount of the Wood Debt, pursuant to which Black Bull has agreed to issue an aggregate of [325,950 Common Shares at a deemed price of $0.10] per Common Share, to David Wood.

"**Zenith**" means Zenith Appraisal & Land Consulting Ltd., a corporation incorporated pursuant to the laws of the Province of Alberta.

"**Zenith Debt**" means the amount of $333,428.75 owed to Zenith by Black Bull pursuant to the Zenith Promissory Notes.

"**Zenith Promissory Notes**" means the non-interest-bearing promissory notes delivered by Black Bull in favour of Zenith, in the aggregate amount of the Zenith Debt, and pursuant to which Black Bull has agreed to issue an aggregate of 3,334,288 Common Shares at a deemed price of $0.10 per Common Share, to Zenith.

GENERAL INFORMATION

General

No person has been authorized by Black Bull or the Vendors to give any information or make any representations in connection with the transactions herein described other than those contained in this Filing Statement and, if given or made, any such information or representation must not be relied upon as having been authorized by Black Bull or the Vendors, as applicable.

All information contained in this Filing Statement with respect to Black Bull has been supplied by Black Bull for inclusion herein, and with respect to that information, each of the Vendors has relied solely on Black Bull. Based on their due diligence conducted in this respect, each of the Vendors has no reason to believe that such information is not accurate.

All information contained in this Filing Statement with respect to the Target Assets has been supplied by the Vendors for inclusion herein, and with respect to that information, Black Bull and its directors and officers have relied solely on the Vendors. Based on its due diligence conducted in this respect, Black Bull has no reason to believe that such information is not accurate.

Information contained in this Filing Statement is given as at May 29, 2019, unless otherwise specifically stated.

Cautionary Statement Regarding Forward-Looking Information

This Filing Statement includes certain statements and information that constitutes "forward-looking statements" and "forward-looking information" under applicable securities laws (collectively, "**Forward-Looking Statements**", unless otherwise stated). Forward-looking statements appear in a number of places in this Filing Statement and include statements and information regarding the intent, beliefs or current expectations of Black Bull, the Target Companies and statements relating to the proposed Transactions (as such term is defined herein). Such Forward-Looking Statements involve known and unknown risks and uncertainties that may cause Black Bull's, the Target Companies', and the Resulting Issuer's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Statements. When used in this Filing Statement, words such as "expects", "anticipates", "estimates", "projects", "plans", "goals", "objectives", "outlook", "believe", "could", "intend", "may", "predict", "will", "would" and similar expressions are intended to identify these forward- looking statements. Forward-looking statements may relate to Black Bull's, the Target Companies', and the Resulting Issuer's future outlook and anticipated events or results and may include statements regarding Black Bull's, the Target Companies', and the Resulting Issuer's future business strategy, plans and objectives. Black Bull and the Target Companies have based these Forward-Looking Statements largely on their current expectations and projections about future events. These Forward-Looking Statements were derived using numerous assumptions, and while Black Bull considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, readers are cautioned to not put undue reliance on these Forward-Looking Statements. Forward-looking statements should not be read as a guarantee of future events or results.

Forward-Looking Statements speak only as of the date such statements are made.

Note to U.S. Shareholders

The solicitation of proxies is being made and the transactions contemplated herein are being undertaken by Canadian issuers in accordance with Canadian corporate and securities laws. Shareholders should be aware that disclosure requirements under such Canadian laws are different from requirements under United States corporate and securities laws relating to issuers organized under United States laws, and this Filing Statement has not been filed with or approved by the United States Securities and Exchange

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Commission (the "**SEC**") or the securities regulatory authority of any state within the United States. Likewise, information concerning Black Bull or the Target Companies has been prepared in accordance with Canadian standards, and may not be comparable to similar information for issuers organized in the United States.

The financial statements of Black Bull and the *pro forma* consolidated financial statements of the Resulting Issuer included in this Filing Statement have been prepared in accordance with generally accepted accounting principles in Canada, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements prepared in accordance with United States generally accepted accounting principles. Completion of the transactions described herein may have tax consequences under the laws of both the United States and Canada, and any such tax consequences under the laws of the United States are not described in this Filing Statement. U.S. shareholders of Black Bull are advised to consult their tax advisors to determine any particular tax consequences to them of the Transactions.

THE SECURITIES ISSUABLE IN CONNECTION WITH THE TRANSACTIONS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS FILING STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

UNITED STATES SHAREHOLDERS OF BLACK BULL SHOULD CONSULT THEIR OWN TAX, LEGAL AND FINANCIAL ADVISORS REGARDING THE PARTICULAR CONSEQUENCES TO THEM OF THE TRANSACTIONS.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Black Bull, the Transactions and the Resulting Issuer (assuming completion of the Transactions) and should be read together with the more detailed information, financial data and statements contained elsewhere in this Filing Statement, including the Appendices attached hereto.

Capitalized terms not otherwise defined in this Summary are defined in the Glossary of defined terms or elsewhere in this Filing Statement. This Summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein.

Black Bull

Black Bull was incorporated on July 18, 1997, under the *Business Corporations Act* (Alberta), and continued under the CBCA on June 12, 2008. Black Bull currently has no active business. Black Bull was in the business of mining, processing, and marketing quartz from the White Rock Assets in Nova Scotia, Canada. Black Bull has also investigated the commercialization of its kaolin resource.

The registered and head office of Black Bull is located at 6278 Yukon Street, Halifax, Nova Scotia B3L 1G1. See "*Information Concerning Black Bull*".

The Target Assets

The Target Assets are all of the shares in the capital of the Target Companies that are owned by the Vendors. See "*Information Concerning the Target Assets*".

Acquisition

Black Bull and the Vendors have entered into the Purchase Agreement for the acquisition of the Target Assets. Pursuant to the Purchase Agreement, the consideration for the Target Assets will consist of: (i) an aggregate of 38,000,00 Common Shares; and (ii) an aggregate of 100,000 Series A Preferred Shares, in each case to be issued to the Vendors at the Effective Time.

In advance of the completion of the Private Placement and pursuant to the terms and conditions of the Purchase Agreement, Black Bull will create the Series A Preferred Shares. The terms of such shares are set forth in more detail under the heading "*Information Concerning the Acquisition*".

Pursuant to the terms of the Purchase Agreement, the Acquisition is conditional upon, among other things, the completion of the Private Placement. This condition may be waived in writing by Black Bull and the Vendors if it is determined that the Private Placement are not required in order to meet the initial listing requirements of the TSXV.

The Board has determined that the Acquisition is in the best interests of Black Bull and has authorized the execution of the Purchase Agreement. For more details on the Acquisition, see "*Information Concerning the Acquisition*".

The completion of the Acquisition will be effected pursuant to the terms of the Purchase Agreement and upon receipt of the necessary regulatory approvals. See "*The Transactions*".

Private Placement

Non-Brokered Private Placement

As a condition to the closing of the Acquisition, Black Bull intends to complete a non-brokered Private Placement by issuing up to 12,000,000 Common Shares, at a price of $0.10 per Common Share, and a minimum of 200,000 Series A Preferred Shares, at a purchase price of $10.00 per Series A Preferred

Share, for minimum gross proceeds of $3,200,000. In March of 2019, Black Bull completed the issuance of 7,982,000 Common Shares and 49,680 Series A Preferred Shares for gross proceeds of $1,295,000. On April 9, 2019, Black Bull completed the issuance of 130,499 Series A Preferred Shares for gross proceeds of $1,304,990.

Proceeds from the Private Placement will be used by Black Bull to pay for the out-of- pocket costs of the Transactions, make investments in Previcare and Foamtech, make other investments as determined by the Resulting Issuer Board, and for general corporate purposes. In March 2019, the Corporation made investments of $250,000 in each of Previcare and Foamtech. In April of 2019, the Corporation made an additional investment of $250,000 in Previcare.

In connection with the Private Placement, Black Bull may pay a cash finder's fee in the amount of up to 8.0% of the gross proceeds of the Private Placement.

Conditions of the Transactions

The Transactions are subject to certain conditions, including but not limited to, no material adverse change occurring prior to the Closing, receiving all necessary regulatory and third-party approvals, and the TSXV being satisfied that after completion of the Transactions, the Resulting Issuer will satisfy the TSXV's minimum listing requirements in order to become a Tier 2 Investment Issuer.

Effective Date of the Closing

It is anticipated that the Transactions will close after the requisite regulatory approvals have been obtained and all other conditions to the Closing have been satisfied or waived, which is anticipated to occur on May 29 2019. It is anticipated that the Final Exchange Bulletin will be issued as soon as reasonably practicable thereafter. See "*The Transactions*".

The Resulting Issuer

At Closing, Black Bull will acquire the Target Assets pursuant to the Purchase Agreement, and subject to the approval of the TSXV, the Resulting Issuer will become a Tier 2 Investment Issuer on the TSXV.

Interest of Insiders, Promoters or Control Persons

No Black Bull director, officer, Insider, promoter, significant shareholder or Control Person (or their respective Affiliates (before and after giving effect to the Acquisition) has an interest in or will receive any consideration as a result of the Acquisition, should the Acquisition proceed.

Arm's Length Transaction

The Acquisition was negotiated by the Parties dealing at arm's length with each other. The Acquisition is an Arm's Length Transaction.

Use of Funds Available on Completion of the Acquisition

Upon closing of the Acquisition and the Private Placement, the Resulting Issuer is expected to have approximately $2,872,183, in available funds.

The following table sets forth the estimated total funds available to the Resulting Issuer following Closing and the principal purposes for which the estimated funds available to the Resulting Issuer will be used, and the current estimated amounts to be used for each such principal purpose during the twelve-month period following Closing. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its business objectives. The Resulting Issuer may require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements to meet its objectives, in which case the Resulting Issuer expects to either issue additional shares or incur indebtedness. There is no assurance that additional funding required by the Resulting Issuer will be available if required.

Source of Funds	Amount ($)
Working capital (deficiency) of Black Bull as at December 31, 2018	(476,620)
Net proceeds of the Private Placement	2,944,000(1)
Conversion of Black Bull Shareholder debt and deposits	419,802
Total available funds	**2,887,183**

Note:

(1) Assumes aggregate gross proceeds from the Private Placement of $3,200,000.

Following Closing, the Resulting Issuer expects to use its available funds as follows:

Available Funds and Principal Uses	Allocation ($)
Estimated available funds as at Effective Date	0
Net proceeds of the Private Placement(1)(2)	2,944,000
Working capital deficit net of debt conversion	(56,818)
Opening working capital	2,887,182
General and administrative working capital requirements	(300,000)
Proposed investments	(2,000,000)
Cash flow from operations(3)	900,000
Total	**1,487,182**
Unallocated working capital	500,000
Net working capital	**987,182**

Notes:

(1) Assumes aggregate gross proceeds from the Private Placement of $3,200,000.

(2) Assumes that a finder's fee of 8.0% is applicable to all Common Shares and Series A Preferred Shares issued pursuant to the Private Placement.

(3) Based upon contracts that have been discussed with but are unsigned with investee companies and are required pursuant to the terms of any investment made by Black Bull.

While it is anticipated that the Resulting Issuer's available funds following completion of the Transactions will be used as set forth above, the Resulting Issuer may re-allocate funds from time to time depending upon its growth strategy and other conditions in effect at the time.

Please see "*Information Concerning the Resulting Issuer - Available Funds and Principal Purposes*".

Selected *Pro Forma* Financial Information

The following table sets out certain *pro forma* financial information for the Resulting Issuer (in Canadian dollars) as at December 31, 2018, assuming Closing occurs. The following information should be read in conjunction with the unaudited *pro forma* consolidated financial statements set forth in this Filing Statement. See "*Appendix E - Pro Forma Financial Statements*".

	Black Bull (as at December 31, 2018) ($)	***Pro Forma* Adjustments ($)**	**Resulting Issuer *Pro Forma* Consolidation ($)**
Current assets	331,786	2,944,000(1)	3,275,787
Total assets	332,202	5,844,000(1)	6,176,202
Current liabilities	808,406	(404,802)	403,604
Total liabilities	808,406	(404,802)	403,604
Shareholders' equity (deficiency)	(476,204)	6,248,802	5,772,598
Common Shares issued and outstanding	3,552,287	55,254,008	58,806,295

Note:

(1) Assumes aggregate gross proceeds from the Private Placement of $3,200,000.

Market for Securities

The Common Shares are listed and posted for trading on the NEX under the trading symbol "BBS.H". The closing market price of the Common Shares on September 14, 2017, the last day on which there was a trade of Common Shares prior to the halt on their trading on the NEX, was $0.095. It is anticipated that the Common Shares will remain halted until Closing and will resume trading on the TSXV after Closing under the symbol "BBS".

Dividend Policy

The Resulting Issuer does not currently have a dividend policy in place. The holders of Resulting Issuer Shares will be entitled to receive such dividends as may be declared by the Resulting Issuer Board from time to time. The Series A Preferred Shares will be entitled to a regular dividend as set forth in the terms of the Private Placement.

Conflicts of Interest

The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests that they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Resulting Issuer Board, any director in a conflict is obligated to disclose his or her interest and abstain from voting on such matter. To the best knowledge of Black Bull and the Vendors, other than as disclosed herein, there are no known existing conflicts of interest between the Resulting Issuer and its proposed promoters, directors and officers or other proposed members of management of the Resulting Issuer as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as directors or officers of such other companies, where such directors or officers have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer.

Interests of Experts

To the knowledge of Black Bull and the Vendors, no Person whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing

Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds, or will hold, any beneficial interest, direct or indirect, in any securities or property of Black Bull or the Resulting Issuer or an Affiliate of the foregoing.

Risk Factors

The Resulting Issuer will be in the business of investing in public and private companies with the objective of enhancing the value of the investee companies through augmentation of the management team, management process, acquisitions and/or mergers. Such activities are highly speculative. Due to the nature of the Resulting Issuer's business and the present stage of development of its business, the Resulting Issuer will be subject to significant risk. A purchase of any of the securities of the Resulting Issuer involves a high degree of risk and should be carefully considered and undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. Risk factors include, but are not limited to, the following:

- failure to satisfy conditions to completion of the Transactions;
- failure to obtain necessary approvals for the Transactions;
- volatility of share prices for publicly traded companies;
- risk of dilution as a result of equity financings;
- risks related to an inability to finance the business of the Resulting Issuer;
- risks associated with required continuous public disclosure of information respecting the business of the Resulting Issuer;
- limited operating history of the Resulting Issuer;
- risks associated with the exploration and development of mineral properties;
- environmental and safety regulations;
- commodity prices;
- political and related legal and economic uncertainty in foreign jurisdictions where the assets may be located;
- risk of foreign exchange and currency fluctuations;
- competition from other investment companies;
- the Resulting Issuer's ability to pay dividends in the future and the timing and amount of those dividends;
- potential negative effects of regulatory changes related to the Resulting Issuer's business; and
- dependence on directors, officers and other key personnel.

See "*Risk Factors*" for a more detailed discussion of such risks.

Conditional Listing Approval

Completion of the Transactions is subject to, among other things, the receipt of all necessary regulatory approvals in accordance with the policies of the TSXV. In addition, the approval of the Transactions is subject to TSXV review and approval of all required documentation. The TSXV has conditionally accepted the Transactions, as set forth in a letter to the Company dated February 14, 2019.

THE TRANSACTIONS

The Acquisition

On July 25, 2017, the Parties entered into a non-binding letter of intent, pursuant to which Black Bull agreed to acquire the Target Assets in exchange for the issuance of a total of 28,000,000 Common Shares, and 1,000,000 Series B Preferred Shares.

On September 18, 2017, the Purchase Agreement was signed by the Parties in respect of the Acquisition. The Purchase Agreement contains representations and warranties, covenants and various conditions precedent with respect to each of the Parties, which are customary for transactions in the nature of the Acquisition, and provides for the implementation of the Acquisition. A copy of the Purchase Agreement is available on SEDAR at www.sedar.com. On May 26, 2018, the Parties signed an amending agreement with respect to the Transactions, which increased the purchase price payable by Black Bull by 10,000,000 Common Shares, to a total of 38,000,000 Common Shares and 1,000,000 Series B Preferred Shares. At the request of the TSXV, the Series B Preferred Shares have been replaced by 100,000 Series A Preferred Shares.

Conditions of the Acquisition

The respective obligations of the Parties to complete the transactions contemplated by the Purchase Agreement are subject to a number of customary conditions that must be satisfied or waived in order for the Acquisition to become effective including, but not limited to: (i) the closing of the Private Placement, unless the Private Placement are not required by the TSXV; (ii) the reconstitution of the Board (see "*Information Concerning the Acquisition - Black Bull Board Reconstitution*"); (iii) the reconstitution of the management team of Black Bull (see "*Information Concerning the Acquisition - Black Bull Management Reconstitution*"); (iv) the absence of a material adverse change in the business, financial condition, prospects, assets or operations of Black Bull; (v) the Resulting Issuer having met the initial listing requirements of the TSXV for a Tier 2 Investment Issuer; and (vi) the final approval by the TSXV of the Transactions. Unless all of the conditions precedent are satisfied or waived by the Party for whose benefit such conditions exist, to the extent they may be capable of waiver, the transactions contemplated by the Purchase Agreement will not proceed. There is no assurance that the conditions precedent will be satisfied or waived, as necessary, on a timely basis, or at all.

After the completion of the Transactions, the current Black Bull Shareholders will own approximately 6.1% of the Resulting Issuer Common Shares. Those investors participating in the Private Placement will, after completion of the Private Placement and the Acquisition, own 66.7% of the issued and outstanding Series A Preferred Shares, and the Vendors will own 33.3% of the issued and outstanding Series A Preferred Shares. See "*Information Concerning the Resulting Issuer*".

Change of Corporate Name for Black Bull

Following Closing, Black Bull will continue as the Resulting Issuer and will execute the business plan of the new management team. In addition, on or after Closing, Black Bull will (subject to the requisite approvals from the TSXV and in accordance with applicable law) change its name to "Magnetic North Acquisition Corp." Black Bull has previously obtained shareholder approval for the name change at its last Annual General Meeting held on August 2, 2018.

New Management Business Plan

The Resulting Issuer will carry on the business of hands-on merchant banking comprised of a team of highly-experienced professionals in finance, operations, and strategy. The industries that will be of particular focus will include, but are not limited to clean power technology, special situations, and consumer products, oilfield services, manufacturing and technology inclusive of software and hardware.

The core principle is that "capital alone doesn't solve problems." As a result, the Resulting Issuer will provide capital, management, and board representation to its investee companies. Through the application of its distinct set of skills, discipline and execution on broken or dysfunctional small to mid- capitalization private companies that lack capital, expertise, and/or the strategic capability to grow their business, the Resulting

Issuer's investment and application of hands on management and strategy is expected to lead to a substantial change in value in the investee companies.

The Resulting Issuer will review market characteristics, risks, strategy, competition, entrepreneur/team characteristics, customer focus, product/service characteristics, financial characteristics and deal quality of its targeted investments. It will invest in opportunities based upon set of criteria that may include, but are not limited to, the following investee characteristics:

(a) management expertise and funding to expand, or improve the investee's business model, strategy, or geographic reach;

(b) an opportunity to exercise a level of control over the investee's businesses or assets through board representation and other active management methods;

(c) nearly cash flow positive or have a slightly positive cash flow and where through improvements in structure, operations or consolidation, cash flow can be positively impacted and may provide sustainable cash flow;

(d) identifiable business improvements, expansion, consolidation, or acquisition opportunities that enhance the value of operations, and will result in the investee company's valuation increasing from less than $10 million to over $80 million.

Investments made will be predicated on the concept of growth and capital preservation. The Resulting Issuer will invest in opportunities that provide it with an ability to recoup the invested capital should the economic environment or business opportunities change.

Finder's Fees

Black Bull has agreed to issue 100,000 Common Shares to Thomas Hart, a consultant to Black Bull, and 400,000 Common Shares to David Heighington, legal counsel to Black Bull, in connection with the Acquisition. Neither Mr. Hart nor Mr. Heighington is a Non-Arm’s Length Party to Black Bull.

Private Placement

As a condition to the closing of the Acquisition, Black Bull intends to complete a non-brokered private placement by issuing up to 12,000,000 Common Shares, at a price of $0.10 per Common Share, and a minimum of 200,000 Series A Preferred Shares, at a purchase price of $10.00 per Series A Preferred Share, for gross proceeds of $3,200,000. In March 2019, Black Bull completed the issuance of 7,982,000 Common Shares and 49,680 Series A Preferred Shares for gross proceeds of $1,295,000.00. On April 9, 2019, Black Bull completed the issuance of 130,499 Series A Preferred Shares for gross proceeds of $1,304,990.

Proceeds from the Private Placement will be used by Black Bull to pay for the out-of- pocket costs of the Transactions, make investments in Previcare and Foamtech, make other investments as determined by the Resulting Issuer Board, and for general corporate purposes. In March 2019, the Corporation made investments of $250,000 in each of Previcare and Foamtech. In April of 2019, the Corporation made an additional investment of $250,000 into Previcare.

In connection with the Private Placement, Black Bull may pay a cash finder's fee in the amount of up to 8.0% of the gross proceeds.

Regulatory Approvals

Completion of the Transactions is subject to, among other things, the acceptance of the TSXV. The TSXV has granted conditional approval of the Transactions on February 14, 2019.

Risk Factors

An investment in securities of Black Bull and, following the completion of the Transactions, the Resulting Issuer, should be considered highly speculative and involves a high degree of risk due to the nature of the Resulting Issuer's proposed business and the current stage of development. Such an investment should only be made by investors who can afford to lose their entire investment. In evaluating the Resulting Issuer and its prospective business, investors should carefully consider, in addition to other information contained in this Filing Statement, the risk factors set forth in this Filing Statement. Additionally, while this Filing Statement has described the risks and uncertainties related to the Transactions and the business of the Resulting Issuer, it is possible that other risks and uncertainties will arise or become material in the future.

If Black Bull is unable to effectively address these and other potential risks and uncertainties following a successful completion of the Transactions, the Resulting Issuer's business, financial condition or results of operations could be materially adversely affected. In this event, the value of the Resulting Issuer Shares could decline after the completion of the Transactions and the Resulting Issuer Shareholders could lose all or part of their investment.

General

The Resulting Issuer will be in the business of investing in public and private companies with the objective of enhancing the value of the investee companies through augmentation of the investee's management team, management process, acquisitions and/or mergers, which is a highly speculative endeavor. A purchase of any of the securities of the Resulting Issuer involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Resulting Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by Persons who can afford a total loss of their investment. Prospective investors should evaluate carefully the following risk factors associated with an investment in the Resulting Issuer's securities prior to purchasing any securities.

Failure to Realize Anticipated Benefits of the Transactions

The Parties propose to complete the Transactions in order to achieve the benefits described in the section entitled "*Background to the Acquisition*". There can be no assurance, however, that the anticipated benefits of the Transactions will materialize. It is possible that the risks and uncertainties described in this Filing Statement will arise and become material to such an extent that some or all of the anticipated benefits of the Transactions never materialize or are nullified. Failure to realize all of the anticipated benefits of the Transactions could adversely impact the market price of the Common Shares and the value of the other Resulting Issuer Shares.

Failure to Satisfy Conditions to Completion of the Transactions

The Purchase Agreement contains certain conditions that must be satisfied or waived by the party for whose benefit such conditions are imposed in order for the Transactions to close. Some of these conditions are outside of the control of the Parties, including, but not limited to, receipt of applicable regulatory approvals and approval of the Transactions by the TSXV. There can be no certainty, nor can the Parties provide any assurance, that all conditions precedent to the completion of the Transactions will be satisfied or waived, nor provide any certainty of the timing of their satisfaction or waiver. Failure to complete the Transactions could adversely impact the market price of the Common Shares.

Failure to Obtain Necessary Approvals for Completion of the Transactions

Completion of the Transactions is subject to, among other things, the acceptance of the TSXV. Black Bull has applied to the TSXV for acceptance of the Transactions. On February 14, 2019, the TSXV granted conditional acceptance of the Transactions.

Black Bull/Resulting Issuer Risk Factors

Black Bull currently has no active business. The following risk factors therefore relate primarily to the Resulting Issuer on a post-Transactions basis, some of the risk factors listed below will contain references to the Resulting Issuer.

Reliance on Management

The success of the Resulting Issuer after the completion of the Transactions will be largely dependent on the abilities, experience, efforts and industry knowledge of its directors and senior management. The long-term loss of the services of any of these persons for any reason could have a material adverse effect on the Resulting Issuer's business, financial condition, and results of operations or future prospects. There can be no assurance that the Resulting Issuer can maintain the services of its directors or senior management required to operate its business, and any failure to do so could have a material adverse effect on its business, financial condition, results of operations and future prospects.

Additional Financing

In order to execute the anticipated growth strategy, the Resulting Issuer will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms, which are acceptable. The Resulting Issuer's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Resulting Issuer's growth and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

Volatility of Share Price

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility. A publicly-traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Resulting Issuer Shares will trade cannot be predicted. The market price of the Resulting Issuer Shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements the Resulting Issuer makes, general economic conditions, and other factors. Increased levels of volatility and resulting market turmoil may adversely impact the price of the Resulting Issuer Shares. If the Resulting Issuer is required to access capital markets to carry out its development objectives (as is expected), the state of domestic and international capital markets and other financial systems could affect its respective access to, and cost of, capital. Such capital may not be available on terms acceptable to the Resulting Issuer or at all, and this could have a material adverse impact on its business, financial condition, results of operations or prospects.

Dilution

The Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Shares or other securities for such consideration and on such terms and conditions as may be established by the Resulting Issuer, without the approval of Resulting Issuer Shareholders. In addition, it is currently anticipated that the Resulting Issuer will be required to conduct additional equity financings to develop the business of the Resulting Issuer as currently planned by the Target Companies and envisioned by management of the Resulting Issuer. Any further issuance of Resulting Issuer Shares pursuant to such equity financings may further dilute the interests of existing shareholders.

Impact of Quarterly and Annual Financial Reporting

There can be no assurance that the Resulting Issuer will be profitable on a quarterly or annual basis. The Target Companies' business strategies may not be successful. As a reporting company, the Resulting Issuer will be required to report financial results on an annual and quarterly basis. If its business is not profitable, the Resulting Issuer's share price may decline.

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Risk Factors Regarding the Target Assets

The following risk factors relate to the businesses of the Target Companies. Since Black Bull currently has no active business, the businesses of the Target Companies will be the Resulting Issuer's sole enterprise after completion of the Transactions and the following risk factors will therefore apply to the Resulting Issuer's business.

Financing Risks

The Resulting Issuer has no history of earnings and, due to the nature of its business, there can be no assurance that the Resulting Issuer will be profitable following Closing. While the Resulting Issuer may generate additional working capital through equity or debt offerings, there is no assurance that such funds will be sufficient to facilitate the development of the Resulting Issuer's business as envisioned or, in the case of equity financings, whether such funds will be available on terms acceptable to the Resulting Issuer or at all. If available, future equity financing may result in substantial dilution to the Resulting Issuer Shareholders.

Limited Operating History

The Resulting Issuer has no history of earnings. There is limited financial, operational and other information available with which to evaluate the prospects of the Resulting Issuer. As a result, there can be no assurance that the Resulting Issuer's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements.

Liquidity of Investment

The continued operation of the Resulting Issuer after the completion of the Transactions will be dependent upon its ability to generate operating revenues or to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Resulting Issuer is unable to generate such revenues or obtain such additional financing, the liquidity of a shareholder's investment may be limited and any investment in the Resulting Issuer may be lost.

Payment of Dividends

The Target Companies have never declared dividends on their securities. Following completion of the Transactions, the Resulting Issuer intends to reinvest all future earnings in order to finance the development and growth of its business. As a result, the Resulting Issuer does not intend to pay dividends on its securities in the foreseeable future, other than the regular dividends for the Series A Preferred Shares. Any future determination to pay dividends will be at the discretion of the Resulting Issuer Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends, and any other factors that the Resulting Issuer Board deems relevant.

Effect of General Economic and Political Conditions

The business of the Target Companies is subject to the impact of changes in Canadian, U.S. and North American economic conditions, including but not limited to, recessionary or inflationary trends, equity market conditions, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Target Companies and their investee companies' business, financial condition, results of operations and cash flows.

Political and related legal and economic uncertainty may exist in countries where the Resulting Issuer may operate. Risks of foreign operations include political unrest, labor disputes, invalidation of governmental orders and permits, corruption, war, civil disturbances and terrorist actions, arbitrary changes in law or policies of particular countries, foreign taxation, price controls, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriations of earnings, limitations on mineral exports and increased financing costs. These risks may limit or disrupt the Resulting Issuer's projects, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation.

Conflicts of Interest

Certain directors and officers of the Resulting Issuer will also serve as directors and/or officers of other companies, including some of the Target Companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Resulting Issuer and the Resulting Issuer Shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest, in accordance with the procedures set forth in the CBCA and other applicable laws.

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INFORMATION CONCERNING THE ACQUISITION

Background to the Acquisition

Black Bull currently has no active business. The Board, following the termination of its previously announced reverse takeover transaction with REM, began a search for a new transaction to revitalize the value of Black Bull.

Mr. David Wood through an introduction by Black Bull's legal counsel spoke on several occasions with Mr. Andrew Osis, and Mr. Ian Wild to discuss a proposed transaction whereby Black Bull would issue Common Shares in exchange for the business plan, future opportunities and contracts, as well as direct ownership interests in various companies that the Vendors hold equity ownership in.

Mr. Wood, in consultation with the Board, performed a preliminary evaluation of the potential for a transaction between the Vendors and Black Bull. Such consultations were conducted in conjunction with additional discussions among Mr. Osis, Mr. Wood and Mr. Christopher Every about the Target Assets. Upon the completion of these discussions, the Vendors and Black Bull proposed the Acquisition, whereby the Vendors' business plan, intellectual capital, and all opportunities, potential investments, future contracts relating to the Target Companies and the Target Assets would be committed to the Resulting Issuer.

Black Bull Board Reconstitution

Black Bull will, in connection with the Acquisition, complete a reconstitution of the Board, whereby the entire Board will resign and be replaced such that there will be a total of five directors, consisting of the following individuals: (i) Kevin Spall; (ii) Andrew Osis; (iii) Ian Wild; (iv) Dennis Nerland; and (v) Trent Larson, subject to the approval of the TSXV and provided that such persons are eligible to act as directors pursuant to applicable laws. Following Closing, the revised Board will continue as the Resulting Issuer Board.

Black Bull Management Reconstitution

Pursuant to the Purchase Agreement, Black Bull will complete a reconstitution of its management team, whereby the management of Black Bull will be revised to comprise, exclusively, the following individuals: (i) Ian Wild - *Chairman*; (ii) Andrew Osis - *President* and *Co-Chief Executive Officer*; (iii) Kevin Spall - *Co-Chief Executive Officer*; and (iv) Cindy Davis - *Chief Financial Officer*; subject to any required approvals by the TSXV and provided that such persons are eligible to act in such capacities pursuant to applicable laws. Following Closing, the aforementioned individuals will continue as the management team of the Resulting Issuer.

Proposed Principals of the Resulting Issuer

Andrew Osis, Co-CEO, and Director

Mr. Osis has a 20-year career working in investment banking and has lead commercial operating teams of up to 100 people. He spent a number of years in investment banking, including as Vice-President, Global Banking with RBC Dominion Securities Inc., Canada's largest investment banking firm, along with Peters & Co. Limited, and Newcrest Capital Inc. Those roles included a focus on mergers, acquisitions, along with equity and debt financings, totaling over his career in excess of $25 billion in transactions. Since leaving the investment banking business, Mr. Osis has served on numerous boards of directors, and has sat as a Director, CEO and CFO of a number of public and private organizations, covering technology, media and entertainment, energy and oilfield services, manufacturing, life sciences, and other sectors.

Kevin Spall, Co-CEO, and Director

Mr. Spall has eighteen years of financial services and alternative energy experience in the areas of corporate finance, mergers and acquisitions, and business development. From 2000 to 2010, Mr. Spall worked at the following investment banks: Yorkton Securities Inc. (now Macquarie Capital Markets Canada Ltd.), Versant Partners Inc. (now Cantor Fitzgerald Canada Corp.), where he was the Head of Investment Banking, and Blackmont Capital Inc., where he was the Head of Diversified Investment Banking. Since

2010, Mr. Spall has focused on a number of opportunities primarily in the alternative energy industry, including the successful development of a 50MW solar farm in Africa. Mr. Spall served as interim CFO and Director of EEStor Corporation (TSXV: ESU), a technology company, and sits on the boards of directors of a number of private companies. Overall, Kevin has been involved in over $5 billion of financings and $2.5 billion of merger and acquisition activity.

Cindy Davis, CFO

Ms. Davis, age 40, will be the CFO of the Resulting Issuer upon closing of the Transactions. Since June 2008, Ms. Davis has provided accounting and financial reporting services for publicly listed companies, through Marrelli Support Services Inc. She is currently a director and audit committee chair for OutdoorPartner Media Corporation, a shell company; and CFO for each of Royal Road Minerals Limited (TSXV:RYR), a mining company, CHAR Technologies Ltd., an environmental consulting company, Cobalt 27 Capital Corp. (TSXV:KBLT), an investment company, and NSR Resources Inc., a mining company. Ms. Davis is a Canadian Chartered Professional Accountant, and holds a Bachelor of Science degree specializing in Accounting and Economics from the University of West Indies in Jamaica. Ms. Davis will not be an employee of the Resulting Issuer but will perform her duties as an independent contractor.

David Marinucci, Vice President

Mr. Marinucci is a senior operations executive with over 30 years of diverse experience in channel, marketing, business development and customer care. He has worked at both start-up and established companies, across multiple industry sectors having served as a senior leader in the wireless, telecom, energy and retail industries. As Chief Operating Officer at Xplornet Communications Inc., a high-speed Internet service provider, he was instrumental in the growth of the business from start up to over 160,000 customers, 500 employees, 2000 channel partners and revenues of $120 million. As Vice President of Sales and Distribution at TELUS Mobility, a division of TELUS Corporation (TSX:T; NYSE:T), a telephone utilities company, he led the highly successful sales, distribution, and marketing efforts, the achievement of dominant market share in the business segment, and the growth of the channel and network footprint in Alberta and British Columbia. At Allstream Inc., a business communications provider, he served as Vice President of Western Canada responsible for sales and marketing of business services. At Canadian Turbo Inc., an oil and gas company, as Vice President and General Manager, Mr. Marinucci was responsible for sales and operations of retail and wholesale outlets throughout British Columbia and Alberta.

Jeff Davison, Consultant

Mr. Davison is a professional marketing and communications strategist who has been producing movies, television, digital media properties and comic books for more than 10 years. He began his career in broadcasting, documentary filmmaking and oil & gas exploration. From 2000 to 2009 he held various exploration and investor relations roles at Canadian Natural Resources Limited (TSX:CNQ; NYSE:CNQ), one of Canada's largest oil and gas producers. From 2009 to 2012 he was Vice President of Marketing & Communications for Poynt Corporation (TSXV: PYN), a mobile advertising company, were he focused on building brand and expanding the company's international audience. Mr. Davison successfully unified the brand globally to grow the Poynt Corporation local search application from 500,000 users to over 24 million users in 10 countries. Since leaving Poynt Corporation in 2012, he has been consulting for several companies including Getty Images, Inc., a stock-photo agency, where he lead integrated marketing efforts for their iStock brand and the launch strategy for image subscriptions, their mobile application and their first direct-to-consumer business, Photos.com. Mr. Davison brings a deep understanding of how to define audiences and drive product awareness to investors and consumers. In addition to his role with the Magnetic North Team, Mr. Davison is the Co-Founder and Managing Partner of Poor Dog Entertainment Inc., a Los Angeles, U.S.-based private media and entertainment production company.

<u>Proposed Directors of the Resulting Issuer</u>

Andrew Osis, Co-CEO, and Director

See above summary in respect of Mr. Osis.

Kevin Spall, Co-CEO, and Director

See above summary in respect of Mr. Spall.

Ian Wild, Chairman of the Board

Mr. Wild is the former Executive VP, ATB Corporate Financial Services, a financial institution. With more than 35 years in banking commencing in the U.K. with National Westminster Bank in their International Division, working in trade finance, corporate finance and global risk management. Immigrating to Canada in 1982, he worked for Continental Bank of Canada (now HSBC Bank) and then Royal Bank of Canada in the Special Loans Group, Oil & Gas Banking, Corporate Banking and Investment Banking as a Vice President of RBC Dominion Securities Inc. He currently acts as a Strategic Advisor to AltaCorp Capital Inc., an investment bank, is Chairman of the Financial Advisory Committee for Calgary Economic Development, a not-for-profit corporation funded by the City of Calgary, and is Chairman of the Canadian Global Affaires Institute, a Geopolitical Think Tank.

Dennis Nerland, Director

Mr. Nerland, is currently a Partner of Nerland Lindsey LLP, a law firm. Mr. Nerland received his Bachelor of Science Degree with honors in Economics and Mathematics from the University of Calgary in 1975. He received a Master of Arts Degree in Economics from Carleton University in Ottawa, Ontario in 1976 and finally, a Juris Doctorate from the University of Calgary in 1979. He has completed the Rotman/ Haskayne Directors Education Program and achieved the designation of Institute-Certified Director (ICD.D) from the Institute of Corporate Directors in 2011. Mr. Nerland was appointed a Queen's Counsel (QC) of Alberta in 2014. Presently, he is a director and trustee of a significant number of private financial businesses and trusts, as well as currently, and has previously been, a director of numerous public companies listed on the TSXV and the TSX.

Trent Larson, Director

Mr. Larson brings over 25 years of experience with a track record of developing and implementing growth strategies to improve performance and profitability in telecom, media, technology, manufacturing, solar, healthcare, retail, energy and financial services companies. He is a recognized digital pioneer, author of various research papers and has been an advisor to the European Commission, an institution of the European Union, on digital policy. Mr. Larson has served as CEO and managing director with leading international organizations and benefits from an extensive global network. Currently, Mr. Larson serves as an advisor to a number of organizations and is an active member of the technology startup investment community. He holds a Bachelor's degree from DeVry University in California and an MBA from the University of London in the U.K.

INFORMATION CONCERNING THE TARGET ASSETS

Previcare

The registered and head office address of Previcare is 67 Chapel Street, Brighton, Ontario.

Previcare is a specialty chemical company with licensed and proprietary technology that keeps both hard and soft surfaces clean of pathogens for extended periods of time – much longer than existing disinfectants. Previcare has an antimicrobial molecule that continues to kill pathogens for an extended period of time (e.g. 24 – 48 hours) until the next scheduled application. The molecule can be incorporated into disinfectants, hand sanitizers, and applied as an anti-microbial barrier for fabrics (e.g. clothing and flooring). These applications can help lower hospital-acquired infections, food poisoning and other pathogen related hazards.

Mr. Kevin Spall and Mr. Andrew Osis have been involved in Previcare since before its inception, in June of 2017. Working for the last three years to shape the business plan, capital structure, and strategy as well as business development of customers. The Magnetic North Team has invested approximately $100,000 and earned a 15% equity ownership of Previcare, and has negotiated to invest in Previcare an additional $1 million to increase that ownership stake to approximately 32%. Mr. Spall is a member of the management team and the board of directors of Previcare.

The Magnetic North team believes the opportunity for Previcare is global. The product can be utilized, in medical, food services, food processing, commercial cleaning products, residential cleaning products, flooring and certain types of clothing. Previcare is currently negotiating with several parties, including national and multinational corporations, to distribute products on a global basis in several different verticals.

Foamtech

The registered and head office address of Foamtech is Suite 400, 601 West Broadway, Vancouver, BC.

Foamtech is an innovative materials company that holds licenses with respect to foamed aluminum products. The Magnetic North Team has negotiated and has agreement in principal with Foamtech to invest approximately $1.0 million to purchase approximately 46% of the shares of Foamtech. To date Magnetic North has had no direct involvement in the Foamtech day to day business.

Bioshield

The registered and head office address of Bioshield is 299 Spring Street, Cobourg, Ontario.

Bioshield is an Affiliate of Previcare. It holds certain patents that are related to Previcare's business, but that are not commercial-ready at this time. The Magnetic North Team will continue to monitor Bioshield's progress and, if appropriate, may make an additional investment in Bioshield. Current Magnetic North Team equity ownership of Bioshield stands at 15%, earned through sweat equity for services performed since prior to the Bioshield's inception in June of 2016, primarily by Mr. Spall.

Ignite

The registered and head office address of Ignite is Suite 110, 6835 Railway Street SE, Calgary Alberta.

Founded in 2011, Ignite is a telecommunication services provider that focuses on video collaboration and audio/visual integration solutions to organizations with complex needs and requirement for highly reliable service. Ignite is a premium provider that boasts a roster of top tier clients across Canada, and is now expanding into the United States.

The Magnetic North Team has been involved with Ignite since its inception in April 2011. Mr. Osis has been providing strategic, operational, and financial input to the business plan, and its day-to-day operations. Since 2015, Mr. Osis has been acting as Chief Financial Officer for Ignite. The Magnetic North Team currently owns approximately 1% of Ignite through a small cash investment made by Mr. Osis, but has negotiated to provide it with expansion and growth capital to increase that ownership stake substantially.

Power Symmetry

The registered and head office address of Power Symmetry is 17 Agnes Lane, Toronto,

Power Symmetry has entered into a memorandum of understanding with an arm's length third party that has developed a new technology for energy storage and utility scale grid load leveling. Power Symmetry would be the exclusive partner for power grid applications in Canada and Africa.

The Magnetic North Team has been involved with Power Symmetry since its inception in 2012, working to shape the business plan, capital structure, and strategy and business development of customers. The Magnetic North Team currently has a 40% equity ownership in Power Symmetry, through the efforts of Mr. Spall. Mr. Spall has been a member of the management team of Power Symmetry since its inception.

Currently, the Magnetic North Team and Power Symmetry are working to further develop the business plan before any additional investment is sought by Power Symmetry.

INFORMATION CONCERNING BLACK BULL

Corporate Structure

Name and Incorporation

Black Bull was incorporated under the *Business Corporations Act* (Alberta) on July 18, 1997 and continued under the CBCA on June 12, 2008.

Black Bull's registered and head office is located at 6278 Yukon Street, Halifax, Nova Scotia B3L 1G1.

Intercorporate Relationships

Black Bull has no wholly-owned subsidiaries.

General Development of the Business

History

Black Bull was historically in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada; however, currently Black Bull has had no active business operations for the past three years and is listed on the NEX platform of the TSXV.

Mining Assets

Black Bull currently owns the White Rock Assets. The White Rock Assets is comprised of an exploration licence consisting of 78 claims and a mineral lease (formerly called a mining permit) (the "Mineral Lease"). They cover approximately 1,650 hectares of land in Yarmouth County, Nova Scotia. The claims are oriented NE-SW in a block about 7 km long by about 3 km wide. The center of the property is approximately 65º 36′ West, 44º 04′ North. It is located on Crown Land in Yarmouth County, Nova Scotia, approximately 45 km north of the town of Shelburne and about 65 km east of the town of Yarmouth.

The Tobeatic Wilderness Area is northeast of the claim block. The former East Kemptville open pit tin mine is approximately 10 kilometres to the northwest. The claim group is accessible from paved Highway 203. It cuts across the northeast edge of the property. The production pit is adjacent the highway. Access roads have been developed.

Mineral Lease (No. 03-3) consists of 27, contiguous, unpatented claims that are in good standing. Exploration licence No. 05531 consists of 78, contiguous, unpatented claims that are also in good standing. The Mineral Lease and exploration licence are registered to Black Bull Resources Inc. Black Bull holds 100 % interest in the mineral rights, subject to a 2 % NSR (Net Smelter Return) royalty that is payable to C.A.G. Enterprises of Antigonish, Nova Scotia.

The property has been explored using a combination of geophysics, trenching, diamond drilling and bulk sampling. Regional exploration surveys for tin and other minerals during the 1970s and 1980s (geological mapping, regional till geochemistry, and air- borne geophysical surveys) led to the discovery of the quartz-kaolin breccia zone. In 1997, CAG Enterprises Ltd. of Antigonish, NS conducted claim staking, geological mapping and shallow drilling in the area of the White Rock project. They collected samples from the Flintstone Rock and Barclay Brook quartz showings.

CAG subsequently optioned the property to Black Bull Resources Inc. In 1998, Black Bull carried out trenching and test pit work over the quartz kaolin zones of the Flintstone Rock occurrence. In 1999, Black Bull drilled 30 diamond drill holes to outline the quartz- kaolin mineralization over a strike length of 1.2 km. This work outlined a large, moderately dipping quartz kaolin breccia within a tectonic shear zone, 100 to 175 metres in width.

In 2000, a 7,000 tonne bulk sample of the quartz breccia was excavated, crushed and screened. An additional thirty-six diamond drill holes were drilled between December 2001 and July 2002 to further outline the quartz and kaolinite body. Analyses of drill core and bulk samples for silica and major oxides, was carried out at the Mineral Engineering Centre (MEC), Dalhousie University, Halifax, Nova Scotia. Additional product development and testing of quartz material was carried out by Mineral Research Laboratory, Asheville, North Carolina, U.S.A. Kaolin samples from the drill core and from the bulk sample stockpiles were sent to firms in the USA and England for mineral process testing.

Quartz mining was carried out during June-July 2004. Approximately 40,000 tonnes was mined, crushed to various sizes in a portable crushing and screening plant and stockpiled on site. Black Bull intended to market the rock as aggregate.

Thus far Black Bull has been unsuccessful in developing the mine, and has ceased any further development work. With respect to the White Rock Assets, Black Bull does currently have a bond with the Province of Nova Scotia in the amount of $296,219 and a letter of credit in favour of the Province for $17,400 for a total of $313,619. The estimated retirement obligation for the White Rock Assets is $263,296.

Significant Acquisitions

Black Bull has made not made any acquisitions in the past three years.

Financings

Black Bull has not completed any financings or issued any Common Shares in the last 12 months other than the Private Placement. See "*Prior Sales*".

Selected Consolidated Financial Information

	First Quarter Ended December 31, 2019 (unaudited)($)	**Year Ended September 30, 2018 (audited) ($)**	**Year Ended September 30, 2017 (audited) ($)**	**Year Ended September 30, 2016 (audited) ($)**
Total revenue	Nil	Nil	Nil	Nil
Total expenses	21,305	113,281	173,897	145,890
Net income (loss)	(21,669)	(114,750)	(175,829)	(175,064)
Per share (basic)	(0.01)	(0.03)	(0.05)	(0.06)
Per share (diluted)	(0.01)	(0.03)	(0.05)	(0.06)
Total assets	332,202	334,528	342,921	327,530
Total liabilities	808,406	789,063	682,706	541,789
Share capital	23,588,518	23,588,518	23,588,518	23,538,215
Deficit	(26,134,855)	(26,113,186)	(25,998,436)	(25,822,607)

Management Discussion and Analysis

Management of Black Bull has prepared a discussion and analysis for the first quarter ended December 31, 2018 and the years ended September 30, 2018, 2017 and 2016, which are attached to this Filing Statement and can be found on SEDAR at www.sedar.com. Please refer to SEDAR for Black Bull's management discussion and analysis on its financial results for the relevant periods.

Description of the Securities

The authorized capital of Black Bull consists of an unlimited number of Common Shares without nominal or par value. As of the date of this Filing Statement, 3,552,287 Common Shares were issued and outstanding as fully paid and non-assessable shares.

The holders of the Common Shares are entitled to receive notice of and attend any meeting of Black Bull Shareholders and are entitled to cast one vote for each Common Share held. The Black Bull Shareholders are entitled to receive dividends, if, as and when declared by the Board and to receive a proportionate share, on a per share basis, of the assets of Black Bull available for distribution in the event of a liquidation, dissolution or winding-up of Black Bull.

The authorized capital of Black Bull also includes an unlimited number of Series A Preferred Shares without nominal or par value. Holders of the Preferred Shares are not entitled to receive notice of or vote at any meeting of shareholders of Black Bull. The holders of the Preferred Shares are entitled to receive, if, as and when declared by the Board, a cumulative dividend and to participate in the assets of Black Bull available for distribution in the event of a liquidation, dissolution or winding-up of the Corporation. The specific terms of the Preferred Shares are set out in Schedule A attached to this Filing Statement.

Management of the Corporation created the Preferred Share structure to provide investors with three key features: seniority, yield and growth.

<u>Seniority</u>: The Preferred Shares are the senior most portion of the capital structure of the Corporation. This provides some coverage on the principal invested by the investor so that if Black Bull wound up its operations, the investors receive first distributions of both its underlying principal, as well as any gains on those investments prior to the Common Shareholders. A majority of the Common Shares are held by management.

<u>Yield</u>: The dividend feature provides investors with a yield return to compensate them for waiting for the investee companies underlying Black Bull to appreciate in value. That yield could be regarded as a rental fee for the use of the capital.

<u>Growth</u>: The Preferred Shares also provide exposure to growth upside through special dividends. When the Corporation receives regular dividends, special dividends, or sells its investment in the investee companies and has a gain on that position. The Preferred Shares are entitled to 50% of any such gain, plus the dividends that were received by the Corporation from the investee companies

The Preferred Shares may be redeemed by the company seven (7) years after the completion of the first issuance of Preferred Shares. The redemption would include the net book value of the Preferred Shares, any unpaid regular dividends, and any gains made in the portfolio

Stock Option Plan

Black Bull has adopted a stock option plan (the "**Option Plan**"), which provides that the Board may, from time to time, in its discretion and in accordance with TSXV requirements, grant to directors, officers, employees of and consultants to Black Bull, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance shall not exceed 300,000 Common Shares. Such Black Bull Options are exercisable for a period of up to five years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer must not exceed five percent (5%) of the issued and outstanding Common Shares, the number of Common Shares reserved for issuance to any one consultant must not exceed two percent (2%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to persons employed to provide investor relations services must not exceed two percent (2%) of the issued and outstanding Common Shares. Under the Option Plan, Black Bull Options may be exercised no later than 90 days following cessation of the optionee's employment or engagement with Black Bull (provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option). Any Common Shares acquired pursuant to the exercise of Black Bull Options prior to the completion of the Acquisition must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

The value of Black Bull Options are based on grant date fair value using the Black-Scholes option-pricing model.

There are currently no Black Bull Options outstanding.

Concurrent with closing of the Transaction, the Corporation will amend its Option Plan and provide the Board with the ability, from time to time, in its discretion and in accordance with TSXV requirements, grant to directors, officers, employees of and consultants to Black Bull, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance shall not exceed 10% of the then outstanding Common Shares. Such Black Bull Options are exercisable for a period of up to five years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer must not exceed five percent (5%) of the issued and outstanding Common Shares, the number of Common Shares reserved for issuance to any one consultant must not exceed two percent (2%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to persons employed to provide investor relations services must not exceed two percent (2%) of the issued and outstanding Common Shares. Under the Option Plan, Black Bull Options may be exercised no later than 90 days following cessation of the optionee's employment or engagement with Black Bull (provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option).

Upon closing, the Corporation intends to issue up to 2,000,000 stock options at an exercise price of $0.095 to directors, officers, employees & consultants of the Resulting Issuer.

Prior Sales

Black Bull has not issued any Common Shares in the past 12 months except for the Private Placement.

Stock Exchange Price

The outstanding Common Shares are listed on the NEX under the trading symbol "BBS.H". The Common Shares became eligible to commence trading on the predecessor exchange to the TSXV in 1998. The last trading price of the Common Shares on September 14, 2017, the last day on which there was a trade of Common Shares prior to the halt on their trading on the NEX, was $0.095.

The following table sets out the high and low trading prices and aggregate volume of trading for the Common Shares on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

	Trading Range ($)		
Period	**High**	**Low**	**Trading Volume**
Period ended May 29, 2019	N/A	N/A	N/A
Period ended April 30, 2019	N/A	N/A	N/A
Period ended March 31, 2019	N/A	N/A	N/A
Period ended February 28, 2019	N/A	N/A	N/A
Period ended January 31, 2019	N/A	N/A	N/A
Three-month period ended December 31, 2018	N/A	N/A	N/A
Three-month period ended September 30, 2018	N/A	N/A	N/A
Three-month period ended June 30, 2018	N/A	N/A	N/A
Three-month period ended March 31, 2018	N/A	N/A	N/A
Three-month period ended December 31, 2018	N/A	N/A	N/A
Three-month period ended September 30, 2017(1)	0.110	0.095	64,016
Three-month period ended June 30, 2017	0.150	0.065	372,487

Notes:

(1) Trading of the Common Shares was halted on September 14, 2017.

(2) Trading of the Common Shares re-commenced on April 10, 2017.

Statement of Director and Executive Officer Compensation

Executive compensation is required to be disclosed for (i) each chief executive officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each chief financial officer (or individual who served in a similar capacity during the most recently completed financial year),(iii) each of the three most highly compensated executive officers (other than the chief executive officer and the chief financial officer) who were serving as executive officers at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than $150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of Black Bull, nor acting in a similar capacity, at the end of that financial year (the "**Named Executive Officers**" or "**NEOs**").

Compensation of the Named Executive Officers of Black Bull is reviewed annually by Black Bull's Board. The Board's objective in setting compensation levels is that the aggregate compensation received by a Named Executive Officer be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size and stage of development. In setting such levels, the Board relies primarily on its own experience and knowledge of the marketplace, supplemented by independent advisors, as required.

Black Bull's view of salaries and fees is that they should be competitive with industry peers, to the extent that can be determined, and with other public companies at similar stages of development and having similar assets, number of employees, market capitalization and profit margin. In addition to the salary, the Board may from time to time pay a bonus to a Named Executive Officer for either the accomplishment of specific performance criteria or for exceptional performance, as may be applicable in accordance with their respective agreements with Black Bull.

Compensation of Directors:

The Board sets the compensation received by its members. Black Bull does not currently compensate its members in their capacities as directors of Black Bull.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid to the Named Executive Officers within the three most recently completed years.

Name and Position	Fiscal Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Value of Perquisites ($)	Value of all Other Compensation ($)	Total Compensation ($)
Christopher Every, Director, President, Chief Executive Officer	2018 2017 2016	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Martin MacKinnon, Director and Chief Financial Officer	2018 2017 2016	$15,987 $12,699 $20,361	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$15,987 $12,699 $20,361

Note:

(1) Mr. MacKinnon is paid for his consulting services as Chief Financial Officer of Black Bull at an hourly rate of $125.

Stock Options and Other Compensation Securities

Black Bull has the Option Plan described above, but does not have any other plan for the issuance of compensation securities.

Pension Plan Benefits

Black Bull does not have any defined benefit or defined contribution pension plans in place that provide for payments or benefits at, following, or in connection with retirement.

Employment, Consulting and Management Agreements

There are no management functions of Black Bull that are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of Black Bull, other than the consulting agreement pursuant to which Mr. MacKinnon is compensated for his services as Chief Financial Officer of Black Bull.

Non-Arm's Length Party Transactions

Except as otherwise disclosed herein, the directors and senior officers of Black Bull and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since its date of incorporation to the date of this Filing Statement that has materially affected or will materially affect Black Bull or the Resulting Issuer other than as disclosed below.

In April 2017, Black Bull issued 227,273 Common Shares to a director of Black Bull at a deemed price of $0.11 per Common Share, to settle an outstanding debt owed to the director pursuant to a promissory note in the principal amount of $25,000. Concurrently with the completion of the transaction., Black Bull will issue 325,950 Common Shares to a director, at a deemed price of $0.10 per Common Share, to settle an outstanding debt owed to the director pursuant to a promissory note in the principal amount of $32,595. In addition, Black Bull will also issue 3,334,288 Common Shares to Zenith in connection with the settlement of the Zenith Debt of an aggregate amount of $333,428.75, which debt is still outstanding.

The Resulting Issuer is expected to issue 537,780 Common Shares to REM, an arm's-length party, as settlement of $53,778 previously loaned to Black Bull by REM under the terms of a failed reverse takeover transaction in 2017.

Arm's Length Transaction

Each of the Transactions is an Arm's Length Transaction.

Legal Proceedings

Black Bull has not been, and is not presently involved in, any legal proceedings material to it, and insofar as it is aware, no such proceedings are contemplated.

Auditor, Transfer Agent and Registrar

Auditor

Black Bull's current auditors are Crowe Mackay LLP, whose principal office is located at Suite 1700, 717-7th Avenue SW, Calgary, Alberta, T2P 0Z3.

Transfer Agent and Registrar

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada) at its Calgary office located at 600, The Dome Tower, 333 – 7th Avenue SW, Calgary, Alberta T2P 2Z1.

Material Contracts

Black Bull has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

(a) the Purchase Agreement; and

(b) the Option Plan.

Copies of these material contracts will be available for inspection without charge at the registered office of Black Bull at 6278 Yukon Street, Halifax, Nova Scotia, B3L 1G1, during ordinary business hours from the date hereof until the Closing, and for a period of 30 days thereafter.

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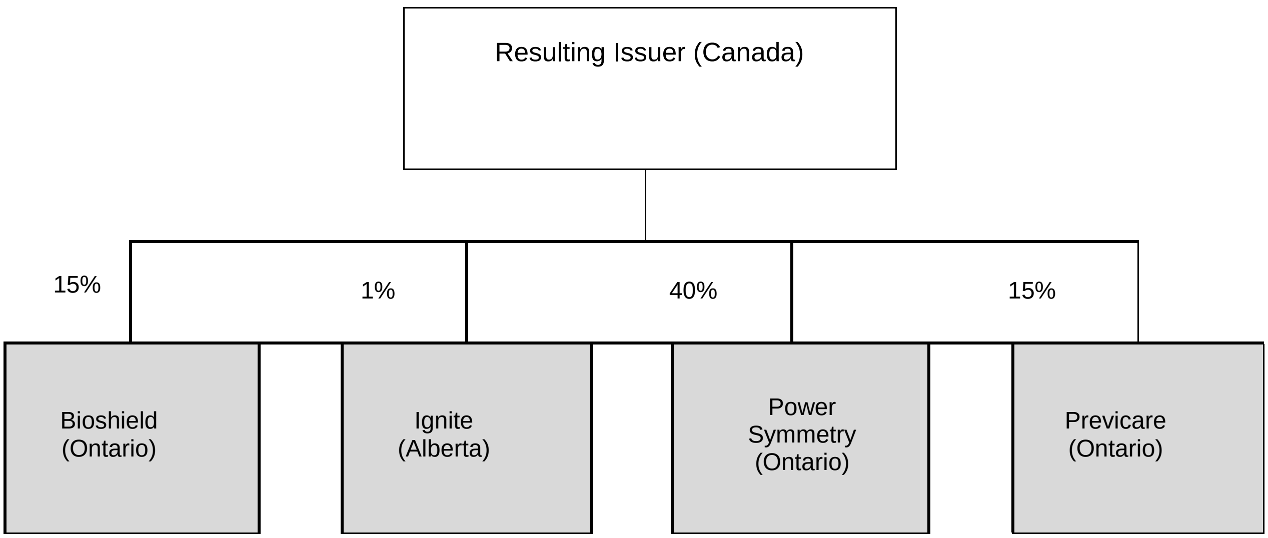
INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

Following Closing, the Resulting Issuer will operate its business under the name "Magnetic North Acquisition Corp." or such other name that may approved by the TSXV and the applicable regulatory authorities.

The head office and registered office of the Resulting Issuer will be at #1400, 350 - 7th Avenue SW, Calgary, AB T2P 3N9. The Resulting Issuer will continue to be a reporting issuer in each of the Provinces of British Columbia, Alberta, and Ontario.

The corporate structure of the Resulting Issuer will be as follows:



Description of the Business

The Resulting Issuer will carry on the business of hands-on merchant banking comprised of a team of highly-experienced professionals in finance, operations, and strategy. The industries that will be of particular focus will include, but are not limited to clean power technology, special situations, consumer products, oilfield services, manufacturing and technology inclusive of software and hardware.

<u>Stated Business Objectives</u>

The Resulting Issuer will be in the business of applying its distinct set of skills, discipline and execution on broken or dysfunctional small to mid-capitalization private companies that lack capital, expertise, and/or the strategic capability to grow their business. The Resulting Issuer's investment and application of hands on management and strategy is expected to lead to a substantial change in value in the investee companies.

<u>Process</u>

The Resulting Issuer will use an improvement framework to enhance value, overall productivity and effectiveness by assessing performance on a range of key business indicators. The process will be used to fully understand both the internal and external forces that drive the business. The Resulting Issuer will then prioritize, enhance, and improve those key metrics that are critical to operational success and determine a 360-degree strategy to achieve, increase, and sustain overall performance that drives value. The Resulting Issuer's evaluation criteria will include an assessment of:

(a) *Leadership* – Does senior leadership guide and sustain the organization?

(b) *Strategic Planning* - Does the organization set strategic direction and execute based on these plans?

(c) *Customer Focus* - Has the organization determined appropriate requirements and expectations of delivery to market?

(d) *Measurement, Analysis and Knowledge Management* - Does management effectively use analysis and data to support key organizational processes?

(e) *Process Management* – Can aspects of how key production/delivery and support processes be improved?

(f) *Results* – Can the organization's performance and improvement in its key business areas be achieved?

Investment Criteria of the Resulting Issuer

The Resulting Issuer will review market characteristics, risks, strategy, competition, entrepreneur/team characteristics, customer focus, product/service characteristics, financial characteristics and deal quality of its targeted investments. It will invest in opportunities based upon criteria that may include, but are not limited to, the following investee characteristics:

(a) management expertise and funding to expand, or improve the investee's business model, strategy, or geographic reach;

(b) an opportunity to exercise a level of control over the investee's businesses or assets through board representation and other active management methods;

(c) nearly cash flow positive or have a slightly positive cash flow and where through improvements in structure, operations or consolidation, cash flow can be positively impacted and may provide sustainable cash flow;

(d) identifiable business improvements, expansion, consolidation, or acquisition opportunities that enhance the value of operations, and will result in the investee company's valuation increasing from less than $10 million to over $80 million.

As the global population is expected to increase by over 2 billion people and global energy consumption is projected to increase by 50% by 2035, the Resulting Issuer plans to focus investment primarily on North American companies in the following sectors:

(a) clean power technology;

(b) special situations;

(c) consumer products;

(d) oilfield services;

(e) manufacturing; and

(f) technology (software & hardware).

Investments made will be predicated on the concept of growth and capital preservation. The Resulting Issuer will invest in opportunities that provide it with an ability to recoup the invested capital should the economic environment or business opportunities change.

Investment Policy

A copy of the Resulting Issuer's Investment Policy is attached as Schedule B.

Description of the Securities

The Resulting Issuer's authorized capital will be identical to Black Bull's immediately prior to Closing. See "*Information Concerning Black Bull - Description of the Securities*".

Pro Forma Consolidated Capitalization

Pro Forma Consolidated Capitalization

The following table summarizes the *pro forma* capital of the Resulting Issuer on a consolidated basis as at December 31, 2018 after giving effect to the Transactions.

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding prior to the Transactions as at the date of this Circular	Amount Outstanding after giving effect to the Transactions
Resulting Issuer Common Shares	Unlimited	3,552,287	58,519,105
Resulting Issuer Series A Preferred Shares	Unlimited	0	300,000

Fully Diluted Share Capital

The following table summarizes the number and percentage of the Resulting Issuer Common Shares proposed to be outstanding on a fully diluted basis after giving effect to the Transactions:

Category of Resulting Issuer Common Shares	After Giving Effect to the Transactions and Assuming the Proceeds under the Private Placement	
	Number of Resulting Issuer Common Shares	**Percentage of Resulting Issuer Common Shares**
Resulting Issuer Common Shares held by Black Bull Shareholders pursuant to the Acquisition	3,552,287	5.87%
Resulting Issuer Common Shares to be issued in exchange for the REM Debt, Wood Debt, and the Zenith Debt	4,198,018	6.94%
Resulting Issuer Common Shares to be issued to finders in connection with the Acquisition(2)	500,000	0.83%
Resulting Issuer Common Shares to be issued for the Chen Debt	268,800	0.44%
Resulting Issuer Common Shares to be issued to Andrew Osis pursuant to the Acquisition	17,100,000	28.26%
Resulting Issuer Common Shares to be issued to Kevin Spall pursuant to the Acquisition	17,100,000	28.26%
Resulting Issuer Common Shares to be issued to Ian Wild pursuant to the Acquisition	3,800,000	6.28%
Resulting Issuer Common Shares to be issued pursuant to the Private Placement	12,000,000	19.83%
Stock Options to be issued to directors, officers, employees & consultants of the Resulting Issuer	2,000,000	3.30%
Total	60,519,105	100.0%

Note:

(1) Black Bull has agreed to issue 100,000 Common Shares to Thomas Hart, a consultant to Black Bull and 400,000 Common Shares to David D. Heighington, legal counsel to Black Bull, in connection with the Acquisition. Neither Mr. Hart nor Mr. Heighington is a Non-Arm's Length Party to Black Bull.

The following table summarizes the number and percentage of the Resulting Issuer Series A Preferred Shares.:

	After Giving Effect to the Transactions and Assuming Proceeds under Private Placement	
Category of Securities	**Number of Securities**	**Percentage of Securities**
Resulting Issuer Series A Preferred Shares	300,000	100%
Total	**N/A**	**N/A**

Available Funds and Principal Purposes

<u>Funds Available</u>

The following table reflects the Resulting Issuer's estimated available funds as at December 31, 2018:

Source of Funds	**Amount ($)**
Estimated working capital (deficiency) of Black Bull as at December 31, 2018	(476,619)
Net proceeds of the Private Placement	2,944,000(1)
Conversion of Black Bull Shareholder debt and deposits	419,802
Total available funds	**2,887,182**

Note:

(1) Assumes aggregate gross proceeds from the Private Placement of $3,200,000.

<u>Principal Purposes of Funds</u>

Upon completion of the Transactions, the Resulting Issuer expects to use its available funds as follows:

Available Funds and Principal Uses	**Allocation**
Estimated available funds as at Effective Date	$0
Net Proceeds of the Private Placement(1)(2)	$2,944,000
Working capital deficit net of debt conversion	$(56,818)
Opening working capital	$2,887,182
General and administrative working capital requirements	$(300,000)
Proposed investments	$(2,000,000)
Cash flow from operations	$900,000
Total	**$1,487,182**

Available Funds and Principal Uses	Allocation
Unallocated working capital	$500,000
Net working capital	**$987,182**

Notes:

(1) Assumes aggregate gross proceeds from the Private Placement of $3,200,000.

(2) Assumes that a finder's fee of 8.0% is applicable to all Common Shares and Series A Preferred Shares issued pursuant to the Private Placement.

While it is anticipated that the Resulting Issuer's available funds following completion of the Transactions will be used as set forth above, the Resulting Issuer may re-allocate funds from time to time depending upon its growth strategy and other conditions in effect at the time.

Dividends

The Resulting Issuer does not currently have a dividend policy in place. The holders of Resulting Issuer Shares will be entitled to receive such dividends as may be declared by the Resulting Issuer Board from time to time. The Series A Preferred Shares will be entitled to a regular dividend as set forth in the terms of the Private Placement.

Principal Securityholders

Except as indicated in the table below, to the knowledge of the directors and management of Black Bull, no Person or Company is anticipated to own of record or beneficially, or exercise control or direction, directly or indirectly, over more than 10% of any class of voting securities of the Resulting Issuer upon completion of the Transactions.

Name and Municipality of Residence of Shareholder	Type of Ownership	Number and Percentage of Classes of Resulting Issuer Shares Upon Completion of the Transactions
Andrew Osis, Calgary, Alberta	Indirect(1)	17,100,000 Resulting Issuer Common Shares (29.22%) 45,000 Resulting Issuer Series A Preferred Shares (15.0%)
Kevin Spall, Toronto, Ontario	Indirect(2)	17,100,000 Resulting Issuer Common Shares (29.22%) 45,000 Resulting Issuer Series B Preferred Shares (15.0%)
Ian Wild, Calgary, Alberta	Direct	3,800,000 Resulting Issuer Common Shares (6.49%) 10,000 Resulting Issuer Series A Preferred Shares (3.3%)

Note:

(1) These Resulting Issuer Shares will be held by 986992 Alberta Ltd., an entity in which Andrew Osis is the controlling shareholder.

(2) These Resulting Issuer Shares will be held by 2254960 Ontario Inc., an entity in which Kevin Spall is the controlling shareholder.

Directors, Officers and Promoters

Name, Address, Occupation and Security Holdings

The following table sets forth the name and municipality of residence, position held, principal occupation, and date of election or appointment as a director or officer, as the case may be, and the number of Resulting Issuer Shares beneficially owned by each director and executive officer of the Resulting Issuer on completion of the Transactions.

Name and Municipality of Residence	Proposed Position with Resulting Issuer	Principal Occupation and Position Held During the Past Five Years[1]	Director/ Officer of Black Bull Since	Number and Percentage of Resulting Issuer Shares to be Held Directly or Indirectly
Andrew Osis, Calgary, Alberta	Co-CEO	Managing Partner of Poor Dog Entertainment Inc., Chief Financial Officer of Ignite Collaboration Services Group, Inc. and Director of Delphi Energy Corp. from May 2005-May 2019.	N/A	17,100,000 Resulting Issuer Common Shares (29.22%) 45,000 Resulting Issuer Preferred Series A Shares (15.0%)
Kevin Spall, Toronto, Ontario	Co-CEO	Director and Chief Financial Officer of EEstor Corporation. Director of ZENN Motor Company Inc. President and Chief Executive Officer of Power Symmetry Inc. Managing Partner and Co-Founder of Episolar Inc.	N/A	17,100,000 Resulting Issuer Common Shares (29.22%) 45,000 Resulting Issuer Preferred Series A Shares (15.0%)
Ian Wild(2 , Calgary, Alberta	Chairman	Independent businessman. Executive Vice President at ATB Corporate Financial Services until October 2016.	N/A	3,800,000 Resulting Issuer Common Shares (6.49%) 10,000 Resulting Issuer Preferred Series A Shares (3.3%)
Dennis Nerland[2], Calgary, Alberta	Director	Partner at Nerland Lindsey LLP.	N/A	Nil
Trent Larson[2], Calgary, Alberta	Director	Independent consultant. Managing Director RGP Inc. from 2013 to 2015.	N/A	Nil

Notes:

(1) Please see "*Directors and Executive Officers*" below for a more fulsome description of principal occupations within the five years preceding the date of this Filing Statement.

(2) Member of the Audit Committee of the Resulting Issuer.

Following Closing, the directors and executive officers of the Resulting Issuer, as a group, will beneficially own, directly or indirectly, or exercise control or direction over, a total of 38,000,000 Common Shares, representing approximately 64.94% of the issued and outstanding Common Shares, and 100,000 Series A Preferred Shares, representing 33.3% of the issued and outstanding Resulting Issuer Series A Preferred Shares, in each case immediately following Closing.

Directors and Executive Officers

The following are brief biographies of the directors, executive officers and senior management of the

Resulting Issuer.

Andrew Osis, Co-CEO, and Director

Mr. Osis has a 20-year career working in investment banking and has led commercial operating teams of up to 100 people. He spent a number of years in investment banking, including as Vice- President, Global Banking with RBC Dominion Securities Inc., Canada's largest investment banking firm, along with Peters & Co. Limited, and Newcrest Capital Inc. Those roles included a focus on mergers, acquisitions, along with equity and debt financings, totaling over his career in excess of $25 billion in transactions. Since leaving the investment banking business, Mr. Osis has served on numerous boards of directors, and has sat as a Director, CEO and CFO of a number of public and private organizations, covering technology, media and entertainment, energy and oilfield services, manufacturing, life sciences, and other sectors.

Kevin Spall, Co-CEO, and Director

Mr. Spall has eighteen years of financial services and alternative energy experience in the areas of corporate finance, mergers and acquisitions, and business development. From 2000 to 2010, Mr. Spall worked at the following investment banks: Yorkton Securities Inc. (now Macquarie Capital Markets Canada Ltd.), Versant Partners Inc. (now Cantor Fitzgerald Canada Corp.), where he was the Head of Investment Banking, and Blackmont Capital Inc., where he was the Head of Diversified Investment Banking. Since 2010, Mr. Spall has focused on a number of opportunities primarily in the alternative energy industry, including the successful development of a 50MW solar farm in Africa. Mr. Spall previously served as interim CFO and Director of EEStor Corporation (TSXV: ESU), a technology company, and sits on the boards of directors of a number of private companies. Overall, Kevin has been involved in over $5 billion of financings and $2.5 billion of merger and acquisition activity.

Cindy Davis, CFO

Ms. Davis, age 40, will be the CFO of the Resulting Issuer upon closing of the Transactions. Since June 2008, Ms. Davis has provided accounting and financial reporting services for publicly listed companies, through Marrelli Support Services Inc. She is currently a director and audit committee chair for OutdoorPartner Media Corporation, a shell company; and CFO for each of Royal Road Minerals Limited (TSXV:RYR), a mining company, CHAR Technologies Ltd., and environmental consulting company, Cobalt 27 Capital Corp. (TSXV:KBLT), an investment company, and NSR Resources Inc., a mining company. Ms. Davis is a Canadian Chartered Professional Accountant, and holds a Bachelor of Science degree specializing in Accounting and Economics from the University of West Indies in Jamaica. Ms. Davis will not be an employee of the Resulting Issuer but will perform her duties as an independent contractor.

David Marinucci, Vice-President

Mr. Marinucci is a senior operation executive with over 30 years of diverse experience in channel, marketing, business development and customer care. He has worked at both start-up and established companies, across multiple industry sectors having served as a senior leader in the wireless, telecom, energy and retail industries. As Chief Operating Officer at Xplornet Communications Inc., a high-speed Internet service provider, he was instrumental in the growth of the business from start up to over 160,000 customers, 500 employees, 2000 channel partners and revenues of $120M. As Vice President of Sales and Distribution at TELUS Mobility, a division of TELUS Corporation (TSX:T; NYSE:T), a telephone utilities company, he led the highly successful sales, distribution, and marketing efforts, the achievement of dominant market share in the business segment, and the growth of the channel and network footprint in Alberta and British Columbia. At Allstream Inc., a business communications provider, he served as Vice President of Western Canada responsible for sales and marketing of business services. At Canadian Turbo Inc., an oil and gas company, as their Vice President and General Manager, Mr. Marinucci was responsible for sales and operations of retail and wholesale outlets throughout British Columbia and Alberta.

Ian Wild, Chairman of the Board

Mr. Wild is the former Executive VP, ATB Corporate Financial Services, a financial institution. With more than 35 years in banking commencing in the UK with National Westminster Bank in their International

Division working in trade finance, corporate finance and global risk management. Immigrating to Canada in 1982, he worked for Continental Bank of Canada (now HSBC Bank) and then Royal Bank of Canada in the Special Loans Group, Oil & Gas Banking, Corporate Banking and Investment Banking as a Vice President of RBC Dominion Securities Inc. He currently acts as a Strategic Advisor to AltaCorp Capital Inc., an investment bank, is Chairman of the Financial Advisory Committee for Calgary Economic Development, a not-for-profit corporation funded by the City of Calgary, and is Chairman of the Canadian Global Affaires Institute, a Geopolitical Think Tank.

Dennis Nerland, Director

Mr. Nerland, is currently a Partner of Nerland Lindsey LLP, a law firm. Mr. Nerland received his Bachelor of Science Degree with honors in Economics and Mathematics from the University of Calgary in 1975. He received a Master of Arts Degree in Economics from Carleton University in Ottawa, Ontario in 1976 and finally, a Juris Doctorate from the University of Calgary in 1979. He has completed the Rotman/ Haskayne Directors Education Program and achieved the designation of Institute-Certified Director (ICD.D) from the Institute of Corporate Directors in 2011. Mr. Nerland was appointed a Queen's Counsel (QC) of Alberta in 2014. Presently he is a director and trustee of a significant number of private financial businesses and trusts, as well as currently, and has previously been, a director of numerous public companies listed on the TSXV and the TSX.

Trent Larson, Director

Mr. Larson brings over 25 years of experience with a track record of developing and implementing growth strategies to improve performance and profitability in telecom, media, technology, manufacturing, solar, healthcare, retail, energy and financial services companies. He is a recognized digital pioneer, author of various research papers and has been an advisor to the European Commission, an institution of the European Union, on digital policy. Mr. Larson has served as CEO and Managing Director with leading international organizations and benefits from an extensive global network. Currently, Mr. Larson serves as an advisor to a number of organizations and is an active member of the technology startup investment community. He holds a Bachelor's degree from DeVry University in California and an MBA from the University of London.

<u>Management</u>

Proposed members of management of the Resulting Issuer will be the same as the directors and officers described above under "*Information Concerning the Resulting Issuer - Directors, Officers and Promoters*".

<u>Promoter Consideration</u>

No Person has been, within the two years immediately preceding the date of this Filing Statement, a promoter of Black Bull.

<u>Corporate Cease Trade Orders or Bankruptcies</u>

Except as set out below, no proposed director or officer of the Resulting Issuer or a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within ten years before the date of this Filing Statement, has been, a director, officer or promoter of any Person that, while that Person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Mr. Osis. Mr. Osis was the Chief Executive Officer and a director of Poynt Corporation (formerly Multiplied Media Corporation) from September 2008 to October 31,

2012. On July 5, 2012, Poynt Corporation filed a notice of intention to make a proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada), and, on October 31, 2012, the Court of Queen's Bench of Alberta issued an order deeming Poynt Corporation to have made an assignment in bankruptcy.

Penalties or Sanctions

No proposed director or officer of the Resulting Issuer, or a security holder anticipated to hold sufficient securities of the Resulting Issuer to materially affect the control of the Resulting Issuer, has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self- regulatory body that would be likely to be considered important to a reasonable security holder making a decision about the Transactions.

Personal Bankruptcies

No proposed director or officer of the Resulting Issuer or a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such Person has, within the 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Conflicts of Interest

The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests, which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. To the best of the knowledge of Black Bull, and other than as disclosed herein, there are no known existing or potential conflicts of interest between the Resulting Issuer and its proposed promoters, directors and officers or other proposed members of management of the Resulting Issuer as a result of their outside business interests except that certain directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

Other Reporting Issuer Experience

The following table sets out the proposed directors and officers of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Other Reporting Issuer Experience					
Name	**Name and Jurisdiction of Reporting Issuer**	**Name of Trading Market**	**Position**	**From**	**To**
Andrew Osis	Delphi Energy Corp. (AB)	TSX	Director	05/2005	05/2019
Kevin Spall	EEstor Corporation (ON)	TSXV	Director	05/2014	04/2019
		TSXV	CFO	02/2016	04/2019
Ian Wild	Delphi Energy Corp. (AB)	TSX	Director	05/2017	05/2019
Dennis Nerland	Acceleware Ltd. (AB)	TSXV	Director	04/2011	Present

	Arkadia Capital Corp. (AB)	TSXV	Director, CEO, CFO	07/2011	Present
	Crew Energy Inc. (AB)	TSX	Director	09/2003	Present
	Critical Control Energy Services Corp. (AB)	TSX	Director	05/2001	Present
	InPlay Oil Corp. (AB)	TSX	Director	07/2013	Present
	Liberty Biopharma Inc. (BC)	TSXV	Director	12/2016	Present
	Strata-X Energy Ltd. (BC)	TSXV	Director	07/2014	Present
	Olympia Financial Group Inc. (AB)	TSX	Director	10/2015	Present
	Westshire Capital II Corp. (BC)	TSXV	Director	05/2016	Present

Executive Compensation

The statement of executive compensation contained in this section relates only to the proposed executive compensation of the Resulting Issuer assuming completion of the Transactions, and should be read and interpreted as though the Transactions have been completed. For information relating to the executive compensation practices of Black Bull for periods prior to the date of this Filing Statement, see "*Information Concerning Black Bull - Executive Compensation*".

Compensation Discussion and Analysis

The Resulting Issuer's compensation philosophy for NEOs is designed to attract well-qualified individuals by paying modest base salaries plus short and long-term incentive compensation in the form of stock options or other suitable long-term incentives. In making its determinations regarding the various elements of executive compensation, the Resulting Issuer Board will have access to and will rely on published studies of compensation paid in comparable businesses.

The duties and responsibilities of the CEO are typical of those of a business entity of the Resulting Issuer's size in a similar business and include direct reporting responsibility to the Chairman of the Resulting Issuer Board, overseeing activities of all other executives of the Resulting Issuer, representing the Resulting Issuer, providing leadership and responsibility for achieving corporate goals, and implementing corporate policies and initiatives.

The objectives of the Resulting Issuer's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Resulting Issuer's continued success;
- to align the interests of the Resulting Issuer's executives with the interests of the Resulting Issuer's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in a similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that mirror executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Resulting Issuer expects to undergo rapid growth and is committed to retaining its key executives for the next several critical years, while at the same time ensuring that executive compensation is tied to specific corporate goals and objectives. The Resulting Issuer's executive compensation program has been designed to reward executives for reinforcing the Resulting Issuer's business objectives and values, for achieving the Resulting Issuer's performance objectives, and for their individual performance.

The executive compensation program consists of a combination of base salary, performance bonus and stock option incentives. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The Resulting Issuer will adopt procedures to ensure that all employment, consulting, or other compensation arrangements between the Resulting Issuer and any Director or senior officer of the Resulting Issuer or between any subsidiary of the Resulting Issuer and any Director or senior officer of the Resulting Issuer are considered and approved by independent Directors, in accordance with TSXV policies.

Base Salary

In addition to a fixed base salary, an NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Awards under the plan will be made by way of cash payments only, which payments will be made at the end of the relevant fiscal year. Each NEO will be measured against the financial targets within his or her control and, while overall company performance is part of the plan, individual targets will represent the highest percentage of the plan payout.

Stock Options

The Resulting Issuer believes that equity-based compensation in the form of stock options will link the interests of its executive officers with the long-term interests of the Resulting Issuer's shareholders. Stock option awards to executive officers (including NEOs) will typically be subject to time-based vesting provisions. The Resulting Issuer believes that such awards will encourage NEOs to focus on long-term company performance and increasing long- term shareholder value, and will serve as a useful retention mechanism by encouraging NEOs to remain employed with the Resulting Issuer.

The Resulting Issuer does not have any formal policy regarding when stock options are to be granted or the size of any given grant, and the Resulting Issuer does not intend to tie such grants directly to any pre-established corporate or individual goals. The Resulting Issuer Board or a committee thereof will, however, consider and evaluate the total compensation package, including base salary and cash bonuses, received or to be received by a particular executive officer, and will seek to ensure that such total compensation package is fair, reasonable and competitive. When considering an award of options to an executive officer, consideration of the number of options previously granted to the executive may be taken into account.

Broad-Based Benefits Programs

All full-time employees, as well as the Resulting Issuer's NEOs, may participate in the Resulting Issuer's health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance. The Resulting Issuer does not intend to provide perquisites or personal benefits to its NEOs that are not otherwise generally available to other employees.

Determination of the Amount of Each Element of the Executive Compensation Program

Base Salary

The base salary review of any NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group".

Performance Bonuses

The Resulting Issuer Board will oversee the operation of the Resulting Issuer's bonus plan by evaluating and approving the targets and the objectives to be met by the NEO and the amount of bonus payable at specific levels of attainment of those targets and objectives. The bonus for any individual NEO varies dependent upon the position and financial performance of the related business unit or corporate activity.

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of any NEO, combined with the granting of stock options, has been designed to provide total compensation which the Resulting Issuer Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Option-Based Awards

The Resulting Issuer Stock Option Plan will be administered by the Resulting Issuer Board or a committee thereof, in accordance with such terms and conditions as the Resulting Issuer Board may prescribe.

The value of option-based awards will be based on grant date fair value using the Black-Scholes option-pricing model.

Amendments to the terms of previously granted options are subject to regulatory approval, if required. If required by the TSXV, disinterested shareholder approval will be required for any reduction in the option price of a previously granted stock option if the optionee is an Insider of Black Bull at the time of the proposed reduction in the option price.

Summary Compensation Table

Following Closing, the Resulting Issuer will have the following NEOs, whose names and positions held are set out in the summary compensation table below. The Resulting Issuer may grant options to the NEOs upon completion of the Transactions.

There is no existing or agreed upon annual incentive plan for the NEOs at this time; this is expected to be reviewed and an annual incentive plan implemented after the Resulting Issuer Board is constituted and has had adequate time to review any such plan. As described earlier, it is expected that the annual incentive plan will be based on overall company performance and meeting individual financial targets.

The following table is a summary of the NEOs' anticipated compensation for the 12-month period after giving effect to the Transactions:

Name and Principal Position	**Salary ($)**	**Share-based awards ($)**	**Option-based awards ($)**	**Non-equity incentive plan compensation ($)**		**Pension value ($)**	**All other compensation ($)**	**Total compensation ($)**
				Annual incentive plans	**Long term incentive plans**			
Ian Wild, Chairman	$0	N/A	N/A(1)	N/A(2)	N/A(2)	N/A	N/A(3)	$0
Andrew Osis, Co-CEO	$100,000	N/A	N/A(1)	N/A(2)	N/A(2)	N/A	N/A(3)	$100,000
Kevin Spall, Co-CEO	$100,000	N/A	N/A(1)	N/A(2)	N/A(2)	N/A	N/A(3)	$100,000
Cindy Davis, CFO	$18,000	N/A	N/A(1)	N/A(2)	N/A(2)	N/A	N/A(3)	$18,000

Notes:

(1) Option-based awards, if any, for fiscal 2019 will be determined by the Resulting Issuer Board or a committee thereof. See "*Executive Compensation- Compensation Discussion and Analysis*" The value of option-based awards will be based on grant date fair value using the Black-Scholes option-pricing model.

(2) Cash bonuses, if any, for fiscal 2019 will be determined by the Resulting Issuer Board or a committee thereof. See "*Executive Compensation- Compensation Discussion and Analysis*".

(3) Any additional compensation to be paid to the NEOs for fiscal 2018 will be determined by the Resulting Issuer Board or a committee thereof. See "*Executive Compensation - Compensation Discussion and Analysis*".

Termination and Change of Control Benefits

Following Closing, the Resulting Issuer will not have any contracts, agreements, plans or arrangements that provide for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Resulting Issuer or a change in an NEO's responsibilities.

There are no existing employment agreements with any of the NEOs.

Director Compensation

The remuneration payable to directors of the Resulting Issuer will be determined following Closing. It is anticipated that the directors will be issued Resulting Issuer Stock Options.

Indebtedness of Directors and Officers

There is not currently, nor has there been since the beginning of the most recently completed financial year of Black Bull any outstanding indebtedness owing to Black Bull or, in each case, any subsidiary thereof, by: (i) any director, executive officer or employee of Black Bull, as the case may be; (ii) any former director, executive officer or employee of Black Bull, as the case may be; (iii) any proposed nominee for election as a director of the Resulting Issuer; or (iv) any Affiliate of any current or former director, executive officer or proposed nominee for election as a director of the Resulting Issuer, either pursuant to an employee stock purchase program of Black Bull, as the case may be, or otherwise, and no individual is or has been indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding by Black Bull, as the case may be.

Investor Relations Arrangements

No written or oral agreement or understanding has been reached with any Person to provide any promotional or investor relations services for the Resulting Issuer. See "*Information Concerning the Resulting Issuer- Directors, Officers and Promoters*".

Options to Purchase Securities

The following table sets out information of the Resulting Issuer with respect to compensation plans under which equity securities of the Resulting Issuer are authorized for issuance.

Plan Category	**Number of securities to be issued upon exercise of outstanding options, and rights (a)**	**Weighted average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuances under equity compensation plan (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by security holders	Nil	N/A	N/A
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	**Nil**	**N/A**	**N/A**

Option Plan

For information on the Option Plan, see "*Information Concerning Black Bull – Stock Option Plan*".

Escrowed Securities

Principals

The following table summarizes information concerning escrowed securities held by principals of the Resulting Issuer prior to and after giving effect to the Transactions:

Percentage	Release Date
5%	At the time of TSXV Bulletin
5%	6 months from TSXV Bulletin
10%	12 months from TSXV Bulletin
10%	18 months from TSXV Bulletin
15%	24 months from TSXV Bulletin
15%	30 months from TSXV Bulletin
40%	36 months from TSXV Bulletin

Auditor(s), Transfer Agent(s) and Registrar(s)

Auditor

The auditor of the Resulting Issuer will be Crowe MacKay LLP, Chartered Accountants, located at Suite 1700, 717 – 7th Avenue S.W., Calgary, AB T2P 0Z3.

Transfer Agent and Registrar

The Resulting Issuer's transfer agent and registrar will be CIBC Mellon Trust Company located at Suite 600, 333 – 7th Avenue S.W., Calgary, AB T2P 2Z1.

GENERAL MATTERS

Experts

Interest of Experts

To the Parties knowledge, no Person or company whose profession or business gives authority to a statement made by the Person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds any beneficial interest, direct or indirect, in any securities or property of Black Bull or the Resulting Issuer or an Affiliate of the foregoing.

Other Material Facts

There are no other material facts about Black Bull, the Resulting Issuer or the Transactions that have not been disclosed in this Filing Statement.

Board Approval

The contents and filing of this Filing Statement have been approved by the Black Bull Board.

Additional Information

If readers have any questions about the information contained in the Filing Statement, please contact: Black Bull at: Phone: 902-499-7183, Attention: Martin MacKinnon, or Phone: 403-470-4355, Attention: Andrew Osis.

SCHEDULE A

Terms of Series A Preferred Shares of
Black Bull Resources Inc.

The following are the rights, privileges, restrictions and conditions attached to the Series A Preferred Shares of Black Bull Resources Inc. (the "**Corporation**"):

1. Defined Terms. For purposes hereof, the following terms shall have the following meanings:

(a) "**Board**" has the meaning specified in paragraph 3;

(b) "**Business Day**" shall be a day other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta;

(c) "**Capital Gain**" means a gain that is recorded in the books and records of the Corporation upon the sale or disposition of an Investment. The Capital Gain in respect of an Investment will be calculated as follows: Investment Proceeds in respect of an Investment minus the total adjusted cost base of that Investment. For purposes of the above calculation, "adjusted cost base" will include all costs invested by the Corporation in respect of that Investment from the time of its Investment until the Liquidation Event or Deemed Disposition in respect of that Investment, as applicable and all taxes payable by the Corporation upon the Liquidation Event or Deemed Disposition in respect of that Investment, as applicable. For the purpose of clarity, a gain is deemed to have occurred when the Investment Proceeds in respect of an Investment is more than the total adjusted cost base of that Investment;

(d) "**Deemed Disposition**" has the meaning specified in paragraph 5(b);

(e) "**Deemed Disposition Entitlement**" has the meaning specified in paragraph 5(b);

(f) "**Disposition Entitlement**" has the meaning specified in paragraph 4;

(g) "**Dividend Amount**" has the meaning specified in paragraph 3;

(h) "**Illiquid Investment**" has the meaning specified in paragraph 5(b)(ii);

(i) "**Investment**" means, from time to time, the acquisition of securities of a public or private company as part of the business of the Corporation;

(j) "**Investment Proceeds**" means the total proceeds the Corporation receives following the completion of a Liquidation Event. For the purpose of clarity, if any amount(s) is received by the Corporation prior to the Liquidation Event in the form of a dividend, interest, special distribution or anything similar from any of its Investments, then such amount(s) will be included in the calculation of the Investment Proceeds;

(k) "**Liquid Investments**" has the meaning specified in paragraph 5(b)(i);

(l) "**Liquidation Event**" means a transaction or a series of transactions that results in the full or partial sale, exchange, redemption, repayment, repurchase or disposition by the Corporation of any Investment;

(m) "**Redemption Amount**" has the meaning specified in paragraph 5(c);

(n) "**Redemption Date**" has the meaning specified in paragraph 5(e)(iii);

(o) "**Redemption Notice**" has the meaning specified in paragraph 5(d);

(p) "**Redemption Price**" means the price that is calculated as follows: Series A Funds divided by the total number of Series A Preferred Shares outstanding as of the Redemption Date, otherwise reflecting the net book value of the Series A Preferred Shares; and

(q) "**Series A Funds**" means the aggregate gross amounts raised by the Corporation from the sale of Series A Preferred Shares from time to time.

2. Voting. Except as prescribed by the applicable provisions of the *Canada Business Corporations Act*, the holders of Series A Preferred Shares shall not be entitled to, receive notice of, or vote at any meeting of the shareholders of the Corporation.

3. Dividends. Subject to the applicable provisions of the *Canada Business Corporations Act*, the holders of Series A Preferred Shares are entitled to receive in each calendar year, if and when declared by the board of directors (the "**Board**") of the Corporation, a cumulative dividend in an amount (the "**Dividend Amount**") as determined by the Board at its sole discretion.

4. Disposition Entitlement.

(a) No later than 30 Business Days, following a Liquidation Event in respect of an Investment, if the Corporation has realized a Capital Gain on that Investment, the holders of Series A Preferred Shares will be entitled to, on a pro-rata basis, 50% of such Capital Gain (if any) (the "**Disposition Entitlement**").

(b) The Corporation may, at the sole discretion of the Board, satisfy from the Investment Proceeds, its obligation as specified in paragraph 4(a) above, by payment either in cash, or by transferring to the holders of Series A Preferred Shares an equivalent number of securities (or other non-cash consideration) received by the Corporation as consideration for the Investment, representing the Disposition Entitlement of such holders.

5. Redemption.

(a) Upon approval of the Board, in its sole discretion, and subject to the applicable provisions of the *Canada Business Corporations Act*, the Series A Preferred Shares may be redeemed by the Corporation at any time after March 31, 2026. Subject to paragraph 5(b) below, for the purpose of clarity, a decision by the Board to redeem the Series A Preferred Shares will automatically trigger a Disposition Entitlement (if any).

(b) Notwithstanding anything above, upon redemption of the Series A Preferred Shares, the Corporation will be deemed to have disposed all of its Investments then held (a "**Deemed Disposition**") as of the Redemption Date, regardless of whether or not a Liquidation Event has actually occurred on such date. As a result of the Deemed Disposition, the Board will take all steps necessary to determine the fair market value of all of its Investments then held as of such Redemption Date in accordance with this paragraph 5(b). If the Board determines that the Corporation would have been able to realize a Capital Gain on its Investments as a result of the Deemed Disposition, the holders of Series A Preferred Shares will be entitled to receive, on a pro-rata basis, 50% of the Capital Gain upon such Deemed Disposition (the "**Deemed Disposition Entitlement**").

For the purposes of calculating fair market value of its Investments as of such Redemption Date, provided that the Board has previously obtained a fairness opinion from a reputable investment dealer with respect to the total value of the portfolio, Investment Proceeds shall be calculated as follows:

i. if such Investment is comprised solely of securities that are listed and freely tradeable on a stock exchange and are considered liquid, as determined by the Board, acting reasonably (the "**Liquid Investments**"), the Investment Proceeds shall be equal to the aggregate volume weighted average price of the securities comprising such Investment on such exchange over the period of the 10 trading days prior to the date of determination; and

ii. if the Investment is not a Liquid Investment (an "**Illiquid Investment**"), a determination of the Investment Proceeds shall be based on a sole determination by the Board based upon all available and relevant information pertaining to such Illiquid Investment, as of such Redemption Date.

(c) On the Redemption Date, the Corporation will redeem the Series A Preferred Shares for an amount that equals:

i. the Redemption Price;

ii. plus, the Disposition Entitlement that is owing, if any, as of such Redemption Date;

iii. plus, the Deemed Disposition Entitlement, if any;

iv. plus, all unpaid, accrued and accumulated dividends, if any, on such Series A Preferred Shares as of such Redemption Date. (paragraph 5(c)(i),(ii), (iii) and (iv), collectively, the "**Redemption Amount**").

(d) Prior to effecting any redemption of Series A Preferred Shares pursuant to this paragraph 5, the Corporation shall give, in the manner provided herein, at least 21 calendar days' prior notice (the "**Redemption Notice**") to each person who at the date of giving such notice is a registered holder of Series A Preferred Shares.

(e) The Redemption Notice shall state:

i. the Corporation's intention to redeem all of the Series A Preferred Shares;

ii. the Redemption Amount;

iii. the date on which the redemption is to take place (the "**Redemption Date**"); and

iv. the manner and place designated for surrender by the holder to the Corporation of its certificate or certificates representing the Series A Preferred Shares to be redeemed.

(f) No later than 30 Business Days following the Redemption Date and upon presentation and surrender at the Corporation's head office or such other place as designated in the Redemption Notice, the certificate or certificates representing the Series A Preferred Shares that are to be redeemed, the Corporation shall pay the Redemption Amount. The Redemption Amount shall be payable either in cash, or by transferring to the holders of Series A Preferred Shares, an equivalent number of securities representing the Redemption Amount.

(g) Following the issuance of a Redemption Notice and after the Redemption Date, the Series A Preferred Shares to be redeemed shall cease to be entitled to any dividend payments. At any time after the Redemption Notice is issued, the Corporation reserves the right to deposit the Redemption Amount for any or all Series A Preferred Shares to be redeemed, with any chartered bank or banks or with any trust company or trust companies in Canada named for such purpose in the Redemption Notice. The Redemption Amount shall be credited to a designated account or held in trust for the benefit of the holders of Series A Preferred Shares whose shares are being redeemed, and such Redemption Amount shall be paid to the holders upon surrender to such bank, banks, trust company or trust companies of the certificate or certificates representing same. Upon such deposit or deposits being made, such Series A Preferred Shares shall be deemed to be redeemed and the rights of the holders of such shares shall be limited to receiving the proportion of the amounts so deposited applicable to their respective shares, without any interest. Any accrued interest on the Redemption Amount so deposited shall belong solely to the Corporation.

(h) Following the redemption of the Series A Preferred Shares such shares shall be deemed to be cancelled and the holder of such shares shall have no further rights or entitlements with respect to such shares and the Corporation shall have no further obligations to such holders.

6. Notice. Any notice required to be given under the provisions attaching to these Series A Preferred Shares shall be given by registered mail, postage prepaid, addressed to each holder at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, then to the address of such holder last known to the Corporation; provided that accidental failure or omission to give any notice as aforesaid to one or more of such holders shall not invalidate any action or proceeding. Any such notice shall be deemed to have been given on the second Business Day after the mailing date.

7. Interpretation. In the event that any date on which any dividend on the Series A Preferred Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding date that is a Business Day.

8. Dissolution. In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of Series A Preferred Shares shall participate rateably with any other classes of preferred shares to an amount equal to the Redemption Price, Disposition Entitlements (if any), plus all declared and unpaid dividends, before any amount shall be paid or any property or assets of the Corporation are distributed to the holders of the common shares. After payment to the holders of Series A Preferred Shares of the amount so payable to them they shall not be entitled to share in any further distribution of the assets of the Corporation.

SCHEDULE B

Investment Policy

Investment Objective

The investment objective of Magnetic North Acquisition Corp. (the "**Corporation**") is to provide its shareholders, both Common and Preferred shareholders, with dividends, and long term capital growth by investing in undervalued or improperly valued companies (the "**Investee Companies**") primarily in sectors that suit the Corporation's expertise. The Corporation's core principle is that "capital alone doesn't solve problems." As a result, the Resulting Issuer provides a combination of capital, management and board representation to Investee Companies. The Corporation believes that capital coupled with expertise and experience can provide a superior return on investment to investors.

The following shall serve as a guideline for the Corporation's investment strategy:

1. Investments shall be in public or private companies, and projects.

2. As the global population is expected to increase by over two billion people with global energy consumption to increase 50 percent by 2035, the Corporation plans to focus investment primarily on North American companies in the following sectors:

    (a) clean power technology;

    (b) special situations;

    (c) consumer products;

    (d) oilfield services;

    (e) manufacturing; and

    (f) technology (software & hardware).

3. Target investments would typically be companies that are either slightly or near cash flow positive with a clear path to growth in cash flow generation.

4. Investments could be structured in multiple forms utilizing equity, debt, mezzanine structures, or royalty agreements, or all of the above.

5. The form and timing of the Corporation's investments will depend, in part, on available capital at any particular time and the investment opportunities identified ("**deal flow**") and available to the Corporation.

6. The Corporation's investment strategy will focus primarily on opportunities where existing management requires guidance, direction and expertise from the Corporation.

In such situations, the Corporation intends to work closely with an Investee Company's management and Board of Directors to structure and deliver the strategic, operational and financial resources to mature such company into a successful and valuable enterprise.

7. The Corporation will invest in concentrated positions in companies. However, the Corporation may invest in securities of issuers in special situations, including event- driven situations such as corporate restructurings, mergers, hostile takeovers, bankruptcies or leveraged buyouts. The Corporation may also invest in companies where there is an opportunity to invest to gain control over the strategic direction of such company, thereby fully exploiting the corporate structure to execute opportunistic transactions which would otherwise be unavailable, such as take-over bids using publicly-traded securities as currency, accretive acquisitions of similar structures, and public and private companies that would otherwise be problematic to accommodate in a fund structure with short term redemption features.

8. The Corporation's investment strategy will also include structuring and initiating deals focused on particular themes, or regions as well as launching the development of businesses in select industries by providing assistance with the hiring of management teams, providing seed capital and facilitating the transition of such private companies to the public market.

9. In general, the investment activities of the Corporation are expected to be active, where involvement of the Corporation is expected to make a significant difference to success and resulting appreciation. The Corporation may seek equity participation in situations to which the Corporation can potentially add value by its involvement, not only financially but also by the contribution of guidance and additional management expertise.

10. Immediate liquidity shall not be a requirement, but each investment shall be evaluated in terms of a clear exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.

11. Subject to applicable laws, there are no restrictions on the size or market capitalization with respect to the Corporation's investments in the equity securities of public or private issuers.

12. Cash reserves may, from time to time as appropriate, be placed into money market investments, including Canadian Treasury Bills or corporate notes.

13. The Corporation will not purchase or sell commodities, purchase the securities of any mutual fund, purchase mortgages or sell mortgages or purchase or sell derivatives (except that the Corporation may structure put or call options to purchase securities owned by the Corporation as a means of locking in gains or avoiding future losses).

14. Subject to the full approval of the Board of Directors of the Corporation (the "**Board**"), the investment committee (the "**Investment Committee**") established by the Corporation may consider certain special investment situations, including assuming a controlling or joint-controlling interest in an Investee Company, which may also involve the provision of advice to management and/or Board participation.

15. All investments shall be made in full compliance with applicable laws in relevant jurisdictions, and shall be made in accordance with and governed by the rules and policies of applicable regulatory authorities.

From time to time, the Board may authorize such additional investments outside of the guidelines described herein as its sees fit for the benefit of the Corporation and its shareholders.

Implementation

The officers, directors and management of the Corporation shall work jointly and severally to uncover appropriate investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

Prospective investments will be channeled through the Investment Committee. The Investment Committee shall make an assessment of whether the proposal fits with the investment and corporate strategy of the Corporation in accordance with the investment evaluation process below, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants.

Once a decision has been reached to invest in a particular opportunity, a summary memo of the rationale behind the investment decision should be prepared by the Investment Committee and submitted to the Board. This summary should include guidelines against which future progress can be measured as well as risk assessment profile with respect to the opportunity. The summary should also highlight any finder's or agents' fees payable.

All investments shall be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Corporation's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designated and authorized to handle the day-to- day trading decisions in keeping with the directions of the Board and the Investment Committee.

Negotiation of terms of participation is a key determinant of the ultimate value of any opportunity to the Corporation. Negotiations may be on-going before and after the performance of due diligence. The representative(s) of the Corporation involved in these negotiations will be determined in each case by the circumstances.

Investment Criteria

The Resulting Issuer will review market characteristics, risks, strategy, competition, entrepreneur/team characteristics, customer focus, product/service characteristics, financial characteristics and deal quality of its targeted investments. It will invest in opportunities based upon criteria that may include, but are not limited to, the following investee characteristics:

(a) requires management expertise and funding to expand, or improve the Investee Company business models, strategy, or geographic reach;

(b) there is an opportunity to exercise a level of control over the Investee Company's businesses or assets through Board representation and other active management methods;

(c) nearly cash flow positive or have a slightly positive cash flow and where through improvements in structure, operations or consolidation, cash flow can be positively impacted and may provide sustainable cash flow;

(d) have identifiable business improvements, expansion, consolidation, or acquisition opportunities that enhance the value of operations, and will result in the Investee Company's valuation increasing from less than $10 million to over $80 million.

Investment Evaluation Process

The Investment Committee shall use both a top-down and bottom-up approach in identifying and submitting investments to the Board for approval. The investment approach will be to leverage an improvement framework to enhance value, overall productivity and effectiveness by assessing performance on a range of key business indicators. The process is used to fully understand both the internal and external forces that drive the business. The management team will then prioritize, enhance, and improve those key metrics that are critical to operational success and determines a 360-degree strategy to achieve, increase, and sustain overall performance that drives value.

The Investment Committees evaluation criteria includes an assessment of a variety of factors in relation to any particular issuer, including:

(a) inherent value of its assets;

(b) Leadership – does senior leadership guide and sustain the organization and what management and technical skills is the company lacking;

(c) Strategic Planning - does the organization set strategic direction and execute based on these plans;

(d) Customer Focus - has the organization determined appropriate requirements and expectations of delivery to market;

(e) Measurement, Analysis and Knowledge Management - does management effectively use analysis and data to support key organizational processes;

(f) Process Management – can aspects of how key production/delivery and support processes be improved;

(g) Results – can the organization's performance and improvement in its key business areas be achieved;

(h) future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;

(i) anticipated rate of return and the level of risk;

(j) financial performance; and

(k) exit strategies and criteria.

Conflicts of Interest

The Corporation has assembled a strong Board and management team, with diverse backgrounds and significant business expertise and experience. In assembling a Board with these characteristics, the Corporation has two primary goals:

(a) to gain exposure to a wide variety of potential investments, including investments that Board members may already be familiar with or that come to their attention through other business dealings; and

(b) where a Board member has a personal interest in a potential investment, to ensure that the Corporation has independent, qualified directors available to conduct an independent assessment.

The Corporation has no restrictions with respect to investing in companies in which a Board member may already have a pecuniary interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Corporation may only proceed after receiving approval from disinterested directors of the Board.

Management Participation

The Corporation will require an active role in the companies in which it invests, and provide such companies with financial, operational and personnel resources, as well as strategic counsel. The Corporation will also require Board representation, where it makes and an investment in the business of the Investee Company. The Corporation's nominee(s) shall be determined by the Board as appropriate and with respect to specific skill set, in such circumstances.

Monitoring and Reporting

The Corporation's Chief Financial Officer ("**CFO**") shall be primarily responsible for the reporting process whereby the performance of each of the Corporation's investments is monitored. Quarterly financial and other progress reports shall be consolidated from each corporate entity, and these shall form the basis for a quarterly review of the Corporation's investment portfolio by the Investment Committee. Any deviations from expectation are to be investigated by the Investment Committee, and if deemed to be significant, reported to the Board.

With public company investments, the Corporation is not likely to have any difficulty accessing financial information relevant to its investment. In the event the Corporation invests in private enterprises, it shall endeavor in each case to obtain a contractual right to be provided with timely access to all books and records it considers necessary to monitor and protect its investment in such private enterprises.

A full report of the status and performance of the Corporation's investments is to be prepared by the Investment Committee and presented to the Board at the end of each fiscal year.

Amended and Restated

Black Bull Resources Inc.

Condensed Interim Financial Statements (Unaudited)

December 31, 2018

BLACK BULL RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(Expressed in Canadian Dollars)		December 31, 2018		September 30, 2018
ASSETS				
Current				
Cash and cash equivalents (Note 15)	$	26,932	$	28,195
Receivables (Note 5)		3,110		1,870
Prepaid expenses		5,525		8,487
Other assets (Note 9)		296,219		295,511
		331,786		334,063
Property, plant and equipment (Note 5)		414		463
Mineral claims (Note 6)		1		1
Exploration and evaluation assets (Note 7)		1		1
	$	332,202	$	334,528
LIABILITIES				
Current				
Payables and accrued liabilities (Note 10)	$	125,308	$	122,164
Demand loans (Notes 13 and 14)		366,024		351,024
Deposit (Note 4)		53,778		53,778
Asset retirement obligation (Note 11)		263,296		262,097
		808,406		789,063
SHAREHOLDERS' EQUITY (DEFICIT)				
Capital stock (Note 12)		23,588,518		23,588,518
Contributed surplus (Note 12)		2,070,133		2,070,133
Deficit		(26,134,855)		(26,113,186)
		(476,204)		(454,535)
	$	332,202	$	334,528

Continuation of business (Note 1)
Subsequent events (Note 16)

These financial statements were approved for issue by the Board of Directors on May 22, 2019:

David Crombie, Director

Dave Wood, Director

See accompanying notes to the condensed interim financial statements

BLACK BULL RESOURCES INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31
(Unaudited)

(Expressed in Canadian Dollars)		2018		2017
EXPENSES				
Operations and overhead	$	5,029	$	8,312
Amortization		49		50
Sales and marketing		140		140
General and administration (Note 14)		16,087		11,928
LOSS BEFORE OTHER ITEMS		(21,305)		(20,430)
OTHER ITEMS				
Accretion (Note 11)		(1,199)		(1,199)
Interest income		835		717
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	$	(21,669)	$	(20,912)
DEFICIT AT BEGINNING OF PERIOD		(26,113,186)		(25,998,436)
DEFICIT AT END OF PERIOD	$	(26,134,855)	$	(26,019,348)
Basic and diluted loss per share	$	(0.01)	$	(0.01)
Weighted average number of shares		3,552,287		3,552,287

See accompanying notes to the condensed interim financial statements

BLACK BULL RESOURCES INC.
STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31
(Unaudited)

(Expressed in Canadian Dollars)		2018		2017
OPERATING ACTIVITIES				
Net and comprehensive loss for the period	$	(21,669)	$	(20,912)
Non-cash items:				
Amortization		49		50
Accretion on asset retirement obligation		1,199		1,199
		(20,421)		(19,663)
Change in non-cash working capital accounts				
Receivables		(1,240)		(6,011)
Prepaid expenses		2,962		5,800
Payables and accrued liabilities		3,144		4,372
		(15,555)		(15,502)
INVESTING ACTIVITIES				
Other assets		(708)		(709)
FINANCING ACTIVITIES				
Demand loan		15,000		-
Change in cash and cash equivalents during the period		(1,263)		(16,211)
Cash and cash equivalents at beginning of the period		28,195		36,432
Cash and cash equivalents at end of period	$	26,932	$	20,221
Supplemental cash flow information:				
Interest received	$	835	$	717
Cash and cash equivalents are comprised of:				
Cash	$	4,144	$	(3,032)
Guaranteed investment certificates		22,788		23,253
	$	26,932	$	20,221

See accompanying notes to the condensed interim financial statements

BLACK BULL RESOURCES INC.
STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED DECEMBER 31, 2018 AND 2017
(Unaudited)

(Expressed in Canadian Dollars)

	Common Shares		Contributed Surplus	Deficit	Total Equity
	#	$	$	$	$
Balance September 30, 2017	3,552,287	23,588,518	2,070,133	(25,998,436)	(339,785)
Net and comprehensive loss	-	-	-	(20,912)	(20,912)
Balance December 31, 2017	3,552,287	23,588,518	2,070,133	(26,019,348)	(360,697)

Balance September 30, 2018	**3,552,287**	**23,588,518**	**2,070,133**	**(26,113,186)**	**(454,535)**
Net and comprehensive loss	**-**	**-**	**-**	**(21,669)**	**(21,669)**
Balance December 31, 2018	**3,552,287**	**23,588,518**	**2,070,133**	**(26,134,855)**	**(476,204)**

See accompanying notes to the condensed interim financial statements

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For period ended December 31, 2018 (Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND CONTINUATION OF BUSINESS

The Company with the registered and head office at 6278 Yukon Street, Halifax, Nova Scotia, was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On June 12, 2008 the Company continued under the Canada Business Corporations Act.

The Company is in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

On September 19, 2017 and amended on May 26, 2018, the Company entered into an asset purchase agreement with a group of investment and business professionals (the “Vendors”) to affect an arm’s length “Change of Business” transaction (as defined in Policy 5.2 of the TSX Venture Exchange). Under the amended terms of the transaction, the Company will acquire certain shareholdings from the Vendors in exchange for the issuance of 38,000,000 Common Shares of the Company as well as the creation and issuance to the Vendors of 100,000 Series A Preferred Shares of the Company.

The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange. As a condition of closing, the Company and Vendors are required to jointly complete a private placement financing for gross proceeds of not less than $3,000,000. The closing is also subject to a number of other conditions, including but not limited to: requisite regulatory corporate, and third-party approvals, including TSX Venture Exchange approval; all required board approvals by the Company; the receipt of a fairness opinion to the satisfaction of the Board of Directors of the Company; and completion of due diligence investigations to the satisfaction of each of the Company and the Vendors.

In accordance with TSX Venture Exchange policy, sponsorship of a “Change of Business” transaction is required unless exempt therefrom in accordance with the TSX Venture Exchange’s policies or a waiver is provided. The Company intends to apply for exemption from the sponsorship requirements pursuant to Section 3.4(a)(ii) of Policy 2.2 of the TSX Venture Exchange. If the exemption is not granted, the Company would be required to engage a sponsor or will seek a waiver from the sponsorship requirement.

GOING CONCERN

While the financial statements have been prepared based on accounting principles applicable to a going concern, several adverse conditions and events cast significant doubt upon the validity of this assumption.

The Company continues to incur significant operating losses. The Company has no revenue-generating operating activities and has a significant accumulated deficit. If the trend continues, the current working capital is not sufficient to sustain the Company for the next 12 months. Such material uncertainties cast substantial doubt as to the ability of the Company to satisfy its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's continued existence is dependent upon maintaining control of its mineral resources until such time as the market improves. However, there can be no assurances that the steps management is taking will be successful. Management's opinion is that the Company must conserve cash resources while the Company seeks strategic options.

The Company's ability to continue as a going concern is dependent on the continued financial support of a director, either directly or indirectly through a Company under his control. As at the reporting period date, the Company has received \$366,024 (September 30, 2018 - \$351,024) of financing via demand loans from these related parties.

If the going concern assumption were not appropriate for these financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements for the period ended December 31, 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Specifically, they have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. The unaudited condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited financial statements for the year ended September 30, 2018, which has been prepared in accordance with IFRS.

Basis of Measurement

These condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these unaudited condensed interim financial statements are described in Note 2 of the audited financial statements for the year ended September 30, 2018. There have been no changes to the Company's accounting policies since September 30, 2018 other than outlined below.

New and revised standards and interpretations

The Company has adopted the new and revised standards and interpretations issued by the IASB listed below effective October 1, 2018. These changes were made in accordance with the transitional provisions outlined in the respective standards and interpretations and had no material impact on the financial statements.

<u>Amendments to IFRS 2 Share-based Payment</u>

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions.

<u>IFRS 9 Financial Instruments</u>

Effective October 1, 2018, the Company adopted IFRS 9, which replaced IAS39. The Company applied the new standard retrospectively and, in accordance with the transitional provisions, comparative figures have not been restated. The adoption of IFRS 9 did not have a material impact on the Company's Financial Statements. The nature and effects of the key changes to the Company's accounting policies resulting from the adoption of IFRS 9 are summarized below.

Classification of Financial Assets and Financial Liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit and loss ("FVTPL"). The previous IAS 39 categories of held to maturity, loans and receivables and available for sale are eliminated. IFRS 9 bases the classification of financial assets on the contractual cash flow characteristics and the Company's business model for managing the financial asset. Additionally, embedded derivatives are not separated if the host contract is a financial asset within the scope of IFRS 9. Instead, the entire hybrid contract is assessed for classification and measurement. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The differences between the two standards did not impact the Company at the time of transition.

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an expected credit loss ("ECL") model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments measured at FVOCI. Under IFRS 9, credit losses will be recognized earlier than under IAS 39.

Transition

On October 1, 2018, the Company:

- Identified the business model used to manage its financial assets and classified its financial instruments into the appropriate IFRS 9 category; and
- Applied the ECL model to financial assets classified as measured at amortized cost.

The classification and measurement of financial instruments under IFRS 9 did not have a material impact on the Company's opening retained earnings as at October 1, 2018. In addition, the application of the ECL model to financial assets classified as measured at amortized cost did not result in a material adjustment on transition. The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 as at October 1, 2018 for each class of the Company's financial assets and financial liabilities. The Company has no contract assets or debt investments measured at FVOCI.

Financial Instrument	IAS 39		IFRS 9	
Asset	Classification	Measurement	Classification	Measurement
Cash and cash equivalents	FVTPL	Fair value	Amortized cost	Amortized cost
Receivables	Loans and receivables	Amortized cost	Amortized cost	Amortized cost
Liabilities				
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Amortized cost	Amortized cost
Demand loan	Other financial liabilities	Amortized cost	Amortized cost	Amortized cost

<u>IFRS 15 Revenue from Contracts with Customers</u>

The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. The adoption of this new standard had no material impact on the Company's financial statements.

Future accounting pronouncements

The following accounting standards and amendments are effective for future periods.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company is still assessing the impact of this new standard.

This standard is effective for reporting periods beginning on or after January 1, 2019.

4. DEPOSIT

The Company has entered into an arm's length Share Exchange Agreement (the "Share Exchange Agreement") dated April 23, 2014, for the acquisition (the "Transaction") by the Company of all of the issued and outstanding shares of AUS Industrial Minerals Limited ("AUS"), a privately held company incorporated under the laws of British Columbia and wholly owned by AUS Streams.

On November 6, 2015, AUS Streams sold AUS Industrial Minerals Limited to DWF Capital Limited ("DWF"), a private equity group in Australia. DWF has re-named AUS Industrial Minerals Limited, to Renewable Energy Minerals Limited ("REM"). As a result, the proposed take-over transaction was with REM, a private company that is wholly owned by DWF.

Pursuant to the Share Exchange Agreement, AUS has advanced a non-refundable deposit in the amount of US$50,000 (CDN $53,778) in favour of the Company. In exchange, the Company has agreed to issue 333,333 common shares, of the Company at a deemed issue price $0.15 on the closing date, subject to the prior approval of the TSX- V.

These funds have been used to fund the legal requirements of the Agreement. To date, the Company has dispersed the total amount of $53,778 on transaction-related expenditures, which have been expensed in the period incurred.

During the year ended September 30, 2017, the Transaction was terminated by the Company. The Company and REM have not reached an agreement as to settlement of the deposit hence the balance remains to be recognized as a liability on the statement of financial position as at December 31, 2018.

5. RECEIVABLES

	Dec 31, 2018	Sept 30, 2018
Harmonized Sales Tax (HST)	**$ 3,110**	$ 1,870

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2017, 2018, and December 31, 2018	**$43,132**	**$107,872**	**$105,822**	**$17,115**	**$216,210**	**$490,151**

Accumulated amortization and impairments	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2016	42,475	107,871	105,821	17,115	216,209	489,491
Amortization	197	-	-	-	-	197
As at September 30, 2017	**42,672**	**107,871**	**105,821**	**17,115**	**216,209**	**489,688**
Amortization	**49**	**-**	**-**	**-**	**-**	**49**
As at December 31, 2018	**42,721**	**107,871**	**105,821**	**17,115**	**216,209**	**489,737**

Carrying Value	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2018	$ 460	$ 1	$ 1	$ -	$ 1	$ 463
As at December 31, 2018	**$ 411**	**$ 1**	**$ 1**	**$ -**	**$ 1**	**$ 414**

7. MINERAL CLAIMS

		Dec 31, 2018		Sep 30, 2018
Cost, beginning and end of period	**$**	**972,183**	$	972,183
Accumulated depletion, beginning and end of period		**(14,381)**		(14,381)
Accumulated impairment, beginning and end of period		**(957,801)**		(957,801)
Accumulated depletion and impairments, beginning and end of period		**(972,182)**		(972,182)
Carrying value, end of period	**$**	**1**	$	1

On July 13, 2018, the Company entered into an option agreement with Infrastructure Commodities Limited ("ICML"), a related party by virtue of a common officer and director. Under the terms of the agreement, the Company granted ICML the sole and exclusive right and option to explore and mine the Company's White Rock property located in Yarmouth County, Nova Scotia. In consideration of the grant of the option, ICML will pay to the Company 50% of the net after tax profits from the sale of quartz, kaolin and mica products mined at the property.

The agreement was subject to several conditions to closing. ICML has not complied with the terms of the agreement and the option has lapsed. Subsequent to year-end, the Company entered into a new option agreement with ICML (see Note 16).

8. EXPLORATION AND EVALUATION ASSETS

		December 31, 2018		September 30, 2018
Cost, beginning and end of period	**$**	**2,994,903**	$	2,994,903
Accumulated depletion, beginning and end of period		**(48,659)**		(48,659)
Accumulated impairment, beginning and end of period		**(2,946,243)**		(2,946,243)
Accumulated depletion and impairments, beginning and end of period		**(2,994,902)**		(2,994,902)
Carrying value, end of period	**$**	**1**	**$**	1

9. OTHER ASSETS

Other assets consist of funds held under the National Resources Reclamation Fund by the Province of Nova Scotia.

In addition, an irrevocable standby letter of credit of $17,400 (September 30, 2018 - $17,400) has been issued to the Province of Nova Scotia (Note 15).

10. PAYABLES AND ACCRUED LIABILITIES

	Dec 31, 2018	Sept 30, 2018
Trade payables	**$125,308**	$122,164

11. ASSET RETIREMENT OBLIGATION

The Company's total asset retirement obligation is estimated based on the Company's net ownership interest in mineral leases and management's estimate of costs to abandon and reclaim these leases, as well as an estimate of the future timing of the costs to be incurred. Under the terms of the agreement with the Province of Nova Scotia, the Company is obligated to update its reclamation plan every three years.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements could be significant. The total undiscounted amount of the estimated cash flows required to settle its asset retirement obligations are approximately $263,296 (September 30, 2018 - $262,097) which are expected to be settled over the next year. A risk-free interest rate of nil% (due to the nature of the liability being current) and an inflation rate of 2% were used to calculate the liability.

Changes to the liabilities were as follows:

		Dec 31, 2018		Sept 30, 2018
Balance, beginning of period	**$**	**262,097**	$	257,303
Accretion		**1,199**		4,794
Balance, end of period	**$**	**263,296**	$	262,097

12. SHAREHOLDERS' EQUITY

a) Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

b) Issued, common shares

	December 31, 2018		September 30, 2018	
	#	$	#	$
Balance, beginning of period	**3,552,287**	**23,588,518**	3,552,287	23,588,518
Balance, end of period	**3,552,287**	**23,588,518**	3,552,287	23,588,518

c) Contributed Surplus

	Stock Options Fair Value	Warrants Fair Value	Total
Balance, Sept 30, 2018	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**
Balance, Dec 31, 2018	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**

The contributed surplus of $2,070,133 (September 30, 2018 - $2,070,133) consists of the fair value attributed to options and warrants granted and recognized to date.

d) Stock options

The Company has adopted, and its shareholders have approved, a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX Venture Exchange, and the options may be exercisable for a period of up to five years. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority.

The Company did not have any options outstanding or exercisable as at December 31, 2018 and September 30, 2018.

13. DEMAND LOANS

During the three month period ended December 31, 2018, a director or a corporation under his control, Zenith Appraisal & Land Consulting Ltd. (the "Holders") advanced funds under a promissory note in the amount of $15,000 (year ended September 30, 2018 - $108,595 advanced under four promissory notes). The loans are covered under a general security agreement, non-interest bearing and due on demand by the Holders or shall be converted to common shares of Black Bull Resources Inc. at a share price to be determined at the time of settlement.

14. RELATED PARTY BALANCES AND TRANSACTIONS

The following amounts are due to related parties:

Demand Loans		
	Dec 31, 2018	Sep 30, 2018
David Wood and Zenith Appraisal & Land Consulting Ltd.	**$ 366,024**	$ 351,024

The following amounts are included in payables and accrued liabilities:

	December 31, 2018	September 30, 2018
Due to directors and senior officers	**$nil**	$775

For the periods ending December 31, 2018 and December 31, 2017, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements.

Three month period ending		
	Dec 31, 2018	Dec 31, 2017
Consulting fees charged directly or indirectly by the CFO	**$ 2,200**	$ 2,025

Stock-based compensation expense for the directors and senior officers was $ nil (2017-$nil) for the period ending December 31, 2018.

15. RESTRICTED CASH

The Company has provided an assignment of cash as security on the irrevocable standby letter of credit to the Province of Nova Scotia (Note 9) and for corporate credit card liabilities. As at December 31, 2018, $17,400 (September 30, 2018 - $17,400) was held in a guaranteed investment certificate as security.

16. SUBSEQUENT EVENTS

1) On February 4, 2019, the Company entered into an option agreement with Infrastructure Commodities Limited ("ICML"), a related party by virtue of a common officer and director. Under the terms of the agreement, the Company granted ICML the sole and exclusive right and option to explore and mine the Company's White Rock property located in Yarmouth County, Nova Scotia. In consideration of the grant of the option, ICML will pay to the Company 50% of the net after tax profits from the sale of quartz, kaolin and mica products mined at the property.

   The agreement is subject to several conditions to closing as follows:

- Within 1 month of the option grant date, and no later than Feb 28, 2019, ICML must prepare a paper describing the anticipated exploitation prospects to facilitate the preparation of a bankable report;

- Within 3 months of the option grant date, and not later than May 28, 2019, ICML must:

a) Research and prepare a review of the applicable quartz market for use in preparing a plan for exploiting the quartz prospects on the property;

b) Prepare a report on options to pre-treat feedstock prior to delivery to high value clients;

c) Preview potential offtake partners in the USA, Canada, EU and Asia for higher-end market opportunities;

d) Preview potential exploitation partners; and

e) Preview prospects for beneficiation technology located in Nova Scotia.

- Within 4 months of the option grant date, and not later than June 28, 2019, ICML must:

a) Outline the prospective project value and return to investors in a pre-bankable report; and

b) Prepare an outline of a budget for completion of due diligence and a bankable report on the exploitation of the quartz, kaolin and mica assets on the property.

- Within 5 months of the option grant date, and not later than July 28, 2019, ICML must be prepared to review project possibilities with the Company for the way forward for exploitation of the property for quartz, kaolin and mica production and sale of aforesaid.

2) In January 2019, a related party advanced funds under a promissory note in the amount of $18,460. The loan is non-interest bearing, due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

3) In March 2019, the Company completed the issuance of 7,982,000 Common Shares and 49,680 Series A Preferred Shares for gross proceeds of $1,295,000. In April 2019, the Company completed the issuance of 130,499 Series A Preferred Shares for gross proceeds of 1,304,990.

4) The Company has used a portion of the Private Placement proceeds to make investments of $500,000 in Previcare Corp. and $250,000 in Foamtech North America Ltd.

17. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Interest rate risk: The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no interest-bearing debt. The Company believes its interest rate risk is not significant.

Credit risk: The Company is exposed to credit risk from receivables, which is the risk that they will not be received in full when due. Loss allowances are provided for potential losses that have been incurred at the reporting period date (estimated by management based on previous experience and its assessment of the current economic environment). These loss allowances are $nil as at December 31, 2018 (September 30, 2018 - $nil). The carrying amount of receivables on the balance sheet represents the Company's maximum credit exposure at the balance sheet date.

Capital management: The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of debt and equity. The capital structure of the Company consists of shareholders' equity (deficit) comprising of capital stock, contributed surplus and deficit. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. The Company's capital management objectives are unchanged from the prior period. The Company has no externally imposed capital requirements.

Total managed capital was as follows:

		Dec 31, 2018		Sept 30, 2018
Capital Stock	$	**23,588,518**	$	23,588,518
Contributed Surplus		**2,070,133**		2,070,133
Deficit		**(26,134,855)**		(26,113,186)
	$	**(476,204)**	$	(454,535)

CORPORATE INFORMATION

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CONTACT Martin MacKinnon Chief Financial Officer
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GENERAL INFORMATION

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Director
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Warren Staude
Director
Australia

David Crombie
Director
Calgary AB

OFFICERS:
Chris Every
President & CEO
Cambridge UK

Martin C. MacKinnon
Chief Financial Officer
Halifax, NS

Black Bull Resources Inc.

Black Bull Resources Inc.

Financial Statements

September 30, 2018

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Independent Auditor's Report

To the Shareholders of
Black Bull Resources Inc.

We have audited the accompanying financial statements of Black Bull Resources Inc., which comprise the statements of financial position as at September 30, 2018 and September 30, 2017, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Black Bull Resources Inc. as at September 30, 2018 and September 30, 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Black Bull Resources Inc. to continue as a going concern.

Calgary, Alberta
January 28, 2019

"Crowe MacKay LLP"
Chartered Professional Accountants

BLACK BULL RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)		2018		2017
ASSETS				
Current				
Cash and cash equivalents	$	28,195	$	36,432
Receivables (Note 4)		1,870		3,913
Prepaid expenses		8,487		10,185
Other assets (Note 8)		295,511		291,729
		334,063		342,259
Property, plant and equipment (Note 5)		463		660
Mineral claims (Note 6)		1		1
Exploration and evaluation assets (Note 7)		1		1
	$	334,528	$	342,921
LIABILITIES				
Current				
Payables and accrued liabilities (Note9)	$	122,164	$	129,196
Demand loans (Note 12)		351,024		242,429
Deposit (Note3)		53,778		53,778
Asset retirement obligation (Note10)		262,097		257,303
		789,063		682,706
SHAREHOLDERS' EQUITY (DEFICIT)				
Capital stock (Note 11)		23,588,518		23,588,518
Contributed surplus (Note 11)		2,070,133		2,070,133
Deficit		(26,113,186)		(25,998,436)
		(454,535)		(339,785)
	$	334,528	$	342,921

Continuation of business (Note 1)
Subsequent events (Note 16)

These financial statements were approved for issue by the Board of Directors on January 28, 2019:

David Crombie, Director

Dave Wood, Director

See accompanying notes to the financial statements

BLACK BULL RESOURCES INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED SEPTEMBER 30

(Expressed in Canadian Dollars)		2018		2017
EXPENSES				
Operations and overhead	$	33,914	$	43,461
Amortization		197		281
Interest on demand loans (Note 11)		-		32,622
Sales and marketing		420		375
General and administration (Note 13)		78,750		97,158
		113,281		173,897
LOSS BEFORE OTHER ITEMS		(113,281)		(173,897)
OTHER ITEMS				
Accretion		(4,794)		(4,794)
Interest income		3,325		2,862
NET AND COMPREHENSIVE LOSS FOR THE YEAR	$	(114,750)	$	(175,829)
Basic and diluted loss per share	$	(0.03)	$	(0.05)
Weighted average number of shares		3,552,287		3,283,906

See accompanying notes to the financial statements

BLACK BULL RESOURCES INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30

(Expressed in Canadian Dollars)	2018	2017
OPERATING ACTIVITIES		
Net and comprehensive loss for the year	$ (114,750)	$ (175,829)
Non-cash items:		
Amortization	197	281
Accretion on asset retirement obligation	4,794	4,794
Bonus shares issued	-	32,622
	(109,759)	(138,132)
Change in non-cash working capital accounts		
Receivables	2,043	1,335
Prepaid expenses	1,698	(2,034)
Payables and accrued liabilities	(7,032)	63,694
	(113,050)	(75,137)
INVESTING ACTIVITIES		
Other assets	(3,782)	(2,121)
	(3,782)	(2,121)
FINANCING ACTIVITIES		
Demand loans	108,595	97,429
Share issue costs	-	(7,319)
	108,595	90,110
Change in cash and cash equivalents during the year	(8,237)	12,852
Cash and cash equivalents at beginning of the year	36,432	23,580
Cash and cash equivalents at end of year	$ 28,195	$ 36,432
Supplemental cash flow information:		
Interest received	$ 3,325	$ 2,862
Non-cash transactions:		
Shares issued to settle debt	$ -	$ 25,000
Bonus shares issued as consideration of loans	$ -	$ 32,622
Cash and cash equivalents are comprised of:		
Cash	$ 5,407	$ 14,030
Guaranteed investment certificates	22,788	22,402
	$ 28,195	$ 36,432

See accompanying notes to the financial statements

BLACK BULL RESOURCES INC.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

(Expressed in Canadian Dollars)

	Common Shares		Contributed Surplus	Deficit	Total Equity
	#	$	$	$	$
Balance September 30, 2016	**3,028,442**	**23,538,215**	**2,070,133**	**(25,822,607)**	**(214,259)**
Net and comprehensive loss	-	-	-	(175,829)	(175,829)
Shares issued to settle debt	227,273	25,000	-	-	25,000
Bonus shares issued in consideration for loans	296,572	32,622	-	-	32,622
Share issue costs	-	(7,319)	-	-	(7,319)
Balance September 30, 2017	**3,552,287**	**23,588,518**	**2,070,133**	**(25,998,436)**	**(339,785)**
Net and comprehensive loss	-	-	-	(114,750)	(114,750)
Balance September 30, 2018	**3,552,287**	**23,588,518**	**2,070,133**	**(26,113,186)**	**(454,535)**

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

For years ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUATION OF BUSINESS

The Company with the registered and head office at P.O. Box 698 Shelburne, Nova Scotia was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On June 12, 2008 the Company continued under the Canada Business Corporations Act.

The Company is in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

On September 19, 2017 and amended on May 26, 2018, the Company entered into an asset purchase agreement with a group of investment and business professionals (the "Vendors") to affect an arm's length "Change of Business" transaction (as defined in Policy 5.2 of the TSX Venture Exchange). Under the amended terms of the transaction, the Company will acquire certain shareholdings from the Vendors in exchange for the issuance of 38,000,000 common shares of the Company at a deemed price of $0.05 per common share, as well as the creation and issuance to the Vendors of 1,000,000 preferred series B shares of the Company at a deemed price of $1.00 per preferred share for aggregate deemed consideration of $2,900,000.

The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange. As a condition of closing, the Company and Vendors are required to jointly complete a private placement financing for gross proceeds of not less than $3,000,000. The closing is also subject to a number of other conditions, including but not limited to: requisite regulatory corporate, and third-party approvals, including TSX Venture Exchange approval; all required board approvals by the Company; the receipt of a fairness opinion to the satisfaction of the Board of Directors of the Company; and completion of due diligence investigations to the satisfaction of each of the Company and the Vendors.

In accordance with TSX Venture Exchange policy, sponsorship of a "Change of Business" transaction is required unless exempt therefrom in accordance with the TSX Venture Exchange's policies or a waiver is provided. The Company intends to apply for exemption from the sponsorship requirements pursuant to Section 3.4(a)(ii) of Policy 2.2 of the TSX Venture Exchange. If the exemption is not granted, the Company would be required to engage a sponsor or will seek a waiver from the sponsorship requirement.

GOING CONCERN

While the financial statements have been prepared based on accounting principles applicable to a going concern, several adverse conditions and events cast significant doubt upon the validity of this assumption.

The Company continues to incur significant operating losses. The Company has no revenue-generating operating activities and has a significant accumulated deficit. If the trend continues, the current working capital is not sufficient to sustain the Company for the next 12 months. Such material uncertainties cast substantial doubt as to the ability of the Company to satisfy its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's continued existence is dependent upon maintaining control of its mineral resources until such time as the market improves. However, there can be no assurances that the steps management is taking will be successful. Management's opinion is that the Company must conserve cash resources while the Company seeks strategic options.

The Company's ability to continue as a going concern is dependent on the continued financial support of a director, either directly or indirectly through a Company under his control. As at the reporting period date, the Company has received $351,024 (2017 - $242,429) of financing via demand loans from these related parties.

If the going concern assumption were not appropriate for these financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements for the years ended September 30, 2018 and 2017, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

The accounting policies applied to these financials statements are presented in Note 2 and are based on IFRS issued and outstanding as of September 30, 2018. These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

a) Cash and cash equivalents

Cash and cash equivalents include amounts held on deposit and cashable guaranteed investment certificates with financial institutions.

b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Amortization is a method to write off the cost of the assets. Amortization is based on the asset's estimated useful life using either the declining-balance (DB) or straight-line (SL) method. The depreciation rates applicable to each category of property and equipment are as follows:

Buildings	10% DB
Equipment	20% DB
Computer equipment	30% DB
Leasehold improvements	50% SL
Site improvements	20% SL

Amortization of buildings and equipment commence when they are commercially utilized; other property, plant and equipment are amortized 50% of the given rate in the first year.

c) Intangible assets

Intangible assets are accounted for at cost. Amortization is based on the asset's estimated useful life using either the declining-balance (DB) or straight-line (SL) method using the following rates:

Software	100% DB
Trademarks &Patents	10% SL

d) **Mineral claims**

The cost of mineral properties are capitalized until the properties are placed into production, sold or abandoned. These costs are amortized on a unit- of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are impaired in value, an appropriate charge will be made at the time.

Costs include the cash consideration and the fair market value of share and options issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of capitalized mineral claims is transferred to development properties after being tested for impairment.

The recorded carrying value of mineral claim costs represents costs incurred, net of impairments, and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an on-going basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written-down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or non-compliance with regulatory requirements.

e) **Exploration and evaluation expenditures**

Exploration costs are capitalized until the properties are placed into production, sold or abandoned. These costs are amortized on a unit- of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are impaired in value, an appropriate charge will be made at the time.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

The carrying amount of exploration costs represents costs incurred, net of impairments, and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an ongoing basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written-down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required.

f) Revenue recognition

Interest income is recognized when earned.

g) Asset retirement obligation

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 and risks specific to the liability, 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, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset 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 amount and timing of the Company's estimates of reclamation costs, are charged to profit and 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.

h) Use of estimates

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverable values and useful lives of property, plant and equipment, timing and costs used to determine expected asset retirement obligations, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

i) Stock-based compensation

The Company has a stock-based compensation plan as described in Note 11. The Company accounts for stock options using the fair-value method, whereby compensation expense for stock options is measured at the fair value at the grant date and is recognized over the vesting period of the options granted. The Company uses the Black-Scholes model to estimate fair value.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

j) 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 country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in 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 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 if a legally enforceable right exists and the deferred income taxes relate to the same taxable entity and the same taxation authority.

k) Loss per share

Loss per share is calculated using the weighted-average number of common shares outstanding. The weighted average is calculated based on the number of days outstanding during the reporting periods.

Diluted loss per share is determined as net loss divided by the weighted average number of diluted common shares outstanding for the period. Diluted common shares reflect the potential dilutive effect of exercising stock options or warrants based on the treasury-stock method.

The Company does not have any dilutive instruments outstanding as at September 30, 2018 and 2017.

l) Impairment of long-lived assets

The carrying amount of the Company's assets (which include property, plant and equipment, mineral claims and exploration and evaluation assets) is 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 loss and comprehensive loss.

The recoverable amount of an asset is the greater of an asset's 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 years.

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

n) 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 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 measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

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 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.

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 measured at fair value. Unrealized gains and losses are recognized in other comprehensive income.

Non-derivative financial liabilities (excluding financial guarantees) are measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the instruments 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.

As of September 30, 2018, and September 30, 2017, the Company has classified cash and cash equivalents as fair value through profit and loss, receivables as loans and receivables and payables and accrued liabilities and demand loans as other liabilities.

o) Foreign currency translation

Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the year except for amortization, which is translated at historical rates. Translation gains or losses are included in net loss.

p) Changes to accounting Policies

New accounting standards

The Company has adopted these accounting standards effective October 1, 2017. The adoption of the standards and amendments had no material impact on the financial statements:

Amendments to IAS 7 Statement of Cash Flows
These amendments (Disclosure Initiative) require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

Amendments to IAS 12 Income Taxes
These amendments, Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12), clarify how to account for deferred tax assets related to debt instruments measured at fair value

Accounting standards issued but not yet effective

The following accounting standards and amendments are effective for future periods.

IFRS 9 Financial Instruments
This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition,

those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Company does not believe this new standard will have a material impact when adopted.

This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers
The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. The Company does not believe this new standard will have a material impact when adopted.

This standard is effective for reporting periods beginning on or after January 1, 2018.

Amendments to IFRS 2 Share-based Payment
These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. The Company does not believe this new standard will have a material impact when adopted.

These amendments are effective for reporting periods beginning on or after January 1, 2018.

IFRS 16 Leases
IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company does not believe this new standard will have a material impact when adopted.

This standard is effective for reporting periods beginning on or after January 1, 2019.

3. DEPOSIT

The Company has entered into an arm's length Share Exchange Agreement (the "Share Exchange Agreement") dated April 23, 2014, for the acquisition (the "Transaction") by the Company of all of the issued and outstanding shares of AUS Industrial Minerals Limited ("AUS"), a privately held company incorporated under the laws of British Columbia and wholly owned by AUS Streams.

On November 6, 2015, AUS Streams sold AUS Industrial Minerals Limited to DWF Capital Limited ("DWF"), a private equity group in Australia. DWF has re-named AUS Industrial Minerals Limited, to Renewable Energy Minerals Limited ("REM"). As a result, the proposed take-over transaction was with REM, a private company that is wholly owned by DWF.

Pursuant to the Share Exchange Agreement, AUS has advanced a non-refundable deposit in the amount of US$50,000 (CDN $53,778) in favour of the Company. In exchange, the Company has agreed to issue 333,333 common shares, of the Company at a deemed issue price $0.15 on the closing date, subject to the prior approval of the TSX- V.

These funds have been used to fund the legal requirements of the Agreement. To date, the Company has dispersed the total amount of $53,778 on transaction-related expenditures, which have been expensed in the period incurred.

During the year ended September 30, 2017, the Transaction was terminated by the Company. The Company and REM have not reached an agreement as to settlement of the deposit hence the balance remains to be recognized as a liability on the statements of financial position as at September 30, 2018 and 2017.

4. RECEIVABLES

	Sept 30 2018	Sept 30 2017
Harmonized Sales Tax (HST)	$ **1,870**	$ 3,913

5. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2016, 2017 and 2018	$43,132	$107,872	$105,822	$17,115	$216,210	$490,151

Accumulated amortization and impairments	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2016	42,194	107,871	105,821	17,115	216,209	489,210
Amortization	281	-	-	-	-	281
As at September 30, 2017	42,475	107,871	105,821	17,115	216,209	489,491
Amortization	197	-	-	-	-	197
As at September 30, 2018	**42,672**	**107,871**	**105,821**	**17,115**	**216,209**	**489,688**

Carrying Value	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2017	$ 657	$ 1	$ 1	$ -	$ 1	$ 660
As at September 30, 2018	**$ 460**	**$ 1**	**$ 1**	**$ -**	**$ 1**	**$ 463**

6. MINERAL CLAIMS

	2018	2017
Cost, beginning and end of year	**$ 972,183**	$ 972,183
Accumulated depletion, beginning and end of year	**(14,381)**	(14,381)
Accumulated impairment, beginning and end of year	**(957,801)**	(957,801)
Accumulated depletion and impairments, beginning and end of year	**(972,182)**	(972,182)
Carrying value, end of year	**$ 1**	$ 1

On July 13, 2018, the Company entered into an option agreement with Infrastructure Commodities Limited ("InfCom"), a related party by virtue of a common officer and director. Under the terms of the agreement, the Company granted InfCom the sole and exclusive right and option to explore and mine the Company's White Rock property located in Yarmouth County, Nova Scotia. In consideration of the grant of the option, InfCom will pay to the Company 50% of the net after tax profits from the sale of quartz, kaolin and mica products mined at the property.

The agreement is subject to several conditions to closing as follows:

- Within 1 month of the option grant date, and no later than July 28, 2018, InfCom must prepare a paper describing the anticipated exploitation prospects to facilitate the preparation of a bankable report;

- Within 3 months of the option grant date, and not later than October 28, 2018, InfCom must:

    a) Research and prepare a review of the applicable quartz market for use in preparing a plan for exploiting the quartz prospects on the property;

    b) Prepare a report on options to pre-treat feedstock prior to delivery to high value clients;

    c) Preview potential offtake partners in the USA, Canada, EU and Asia for higher-end market opportunities;

    d) Preview potential exploitation partners; and

    e) Preview prospects for beneficiation technology located in Nova Scotia.

- Within 4 months of the option grant date, and not later than November 30, 2018, InfCom must:

    a) Outline the prospective project value and return to investors in a pre-bankable report; and

    b) Prepare an outline of a budget for completion of due diligence and a bankable report on the exploitation of the quartz, kaolin and mica assets on the property.

- Within 6 months of the option grant date, and not later than January 31, 2019, InfCom must be prepared to review project possibilities with the Company for the way forward for exploitation of the property for quartz, kaolin and mica production and sale of aforesaid.

InfCom has not complied with the terms of the agreement and the option has lapsed. The Company is working with InfCom on extending and revising the terms of this option agreement.

7. EXPLORATION AND EVALUATION ASSETS

		2018		2017
Cost, beginning and end of year	**$**	**2,994,903**	$	2,994,903
Accumulated depletion, beginning and end of year		**(48,659)**		(48,659)
Accumulated impairment, beginning and end of year		**(2,946,243)**		(2,946,243)
Accumulated depletion and impairments, beginning and end of year		**(2,994,902)**		(2,994,902)
Carrying value, end of year	**$**	**1**	**$**	1

8. OTHER ASSETS

Other assets consist of funds held under the National Resources Reclamation Fund by the Province of Nova Scotia.

In addition, an irrevocable standby letter of credit of $17,400 (2017 - $17,400) has been issued to the Province of Nova Scotia (Note 15).

9. PAYABLES AND ACCRUED LIABILITIES

	Sept 30, 2018	Sept 30, 2017
Trade payables	**$122,164**	$129,196

10. ASSET RETIREMENT OBLIGATION

The Company's total asset retirement obligation is estimated based on the Company's net ownership interest in mineral leases and management's estimate of costs to abandon and reclaim these leases, as well as an estimate of the future timing of the costs to be incurred. Under the terms of the agreement with the Province of Nova Scotia, the Company is obligated to update its reclamation plan every three years.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements could be significant. The total undiscounted amount of the estimated cash flows required to settle its asset retirement obligations are approximately $262,097 (2017 - $257,303) which are expected to be settled over the next year. A risk-free interest rate of nil% (due to the nature of the liability being current) and an inflation rate of 2% were used to calculate the liability.

Changes to the liabilities were as follows:

		Sept 30, 2018		Sept 30, 2017
Balance, beginning of year	$	**257,303**	$	252,509
Accretion		**4,794**		4,794
Balance, end of year	$	**262,097**	$	257,303

11. SHAREHOLDERS' EQUITY

a) Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

b) Issued, common shares

	September 30, 2018		September 30, 2017	
	#	$	#	$
Balance, beginning of year	**3,552,287**	**23,588,518**	3,028,442	23,538,215
Share issued to settle debt	-	-	227,273	25,000
Bonus shares issued as consideration for loans	-	-	296,572	32,622
Share issue costs	-	-	-	(7,319)
Balance, end of year	**3,552,287**	**23,588,518**	3,552,287	23,588,518

Share Consolidation

On February 24, 2017, the Company completed a share consolidation on the basis of one (1) post-consolidation common share for every thirty (30) pre-consolidation common shares. This transaction has been retrospectively presented throughout these financial statements which has resulted in all common shares and stock option transactions and balances being adjusted accordingly.

c) Contributed Surplus

	Stock Options Fair Value	Warrants Fair Value	Total
Balance, Sept 30, 2017	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**
Balance, Sept 30, 2018	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**

The contributed surplus of $2,070,133 (2017 - $2,070,133) consists of the fair value attributed to options and warrants granted and recognized to date.

d) Stock options

The Company has adopted, and its shareholders have approved, a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX Venture Exchange, and the options may be exercisable for a period of up to five years. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority.

The Company did not have any options outstanding or exercisable as at September 2018, and 2017.

12. DEMAND LOANS

During the year ended September 30, 2018, a director or a corporation under his control, Zenith Appraisal & Land Consulting Ltd. (the “Holders”) advanced funds under four promissory notes in the amount of $108,595 (2017 - $97,429 advanced under four promissory notes). The loans are covered under a general security agreement, non-interest bearing and due on demand by the Holders, or shall be converted to common shares of Black Bull Resources Inc. at a share price to be determined at the time of settlement.

During the year ended September 30, 2017, loans totalling $25,000 were settled through the issuance of 227,273 common shares at a deemed price of $0.11/share. At September 30, 2018, the total balance owing under these demand loans was $351,024 (2017 - $242,429).

13. RELATED PARTY BALANCES AND TRANSACTIONS

The following amounts are due to related parties:

Demand Loans		
	Sep 30 2018	Sep 30 2017
David Wood and Zenith Appraisal & Land Consulting Ltd.	**$ 351,024**	$ 242,429
Total	**$ 351,024**	$ 242,429

The following amounts are included in payables and accrued liabilities:

	September 30, 2018	September 30, 2017
Due to directors and senior officers	**$775**	nil

For the years ending September 30, 2018 and September 30, 2017, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements.

Year Ending		
	Sept 30 2018	Sept 30, 2017
Consulting fees charged directly or indirectly by the CFO	**$ 15,987**	$ 12,699

Stock-based compensation expense for the directors and senior officers was $ nil (2017-$nil) for the year ending September 30, 2018.

During the year ended September 30, 2017, the Company settled debt owing to a related party in the amount of $25,000 through the issuance of 227,273 common shares at a deemed price of $0.11/share (see Note 11 and 12). The Company also issued 296,572 common shares to a related party at a deemed price of $0.11/share as consideration for loans received. The value of these shares of $32,622 has been recorded as interest on demand loans.

14. INCOME TAX

The income tax recovery and change in tax benefits not recognized differs from the amounts computed by applying Canadian statutory rates of 31.0% (2017 – 31.0%) to the loss before income taxes as follows:

	2018	2017
Income tax recovery at statutory rate	$ 36,000	$ 55,000
Share issue costs	-	2,000
Decrease (increase) in tax benefits not recognized	(36,000)	(57,000)
	$ -	$ -

The approximate tax effect of temporary differences and tax loss carry forwards that give rise to the Company's deferred income tax assets computed by applying Canadian statutory rates of 31.0% (2017 – 31.0%) are as follows:

	2018	2017
Deferred income tax assets		
Property, plant and equipment	$ 82,000	$ 82,000
Mineral claims	1,246,000	1,245,000
Share issue costs	203,000	203,000
Other	5,000	5,000
Tax loss carry forwards	4,397,000	4,362,000
Capital loss carry forwards	26,000	26,000
	5,959,000	5,923,000
Tax benefit not recognized	(5,959,000)	(5,923,000)
Deferred income tax asset	$ -	$ -

The Company has $14,182,000 of non-capital losses carried forward which can be applied against future taxable income and will expire between 2026 and 2038.

15. RESTRICTED CASH

The Company has provided an assignment of cash as security on the irrevocable standby letter of credit to the Province of Nova Scotia (Note 8) and for corporate credit card liabilities. As at September 30, 2018, $17,400 (2017 - $17,400) was held in a guaranteed investment certificate as security.

16. SUBSEQUENT EVENTS

On October 26, 2018, a related party advanced funds under a promissory note in the amount of $15,000. The loans are non-interest bearing, due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

In addition, on January 22, 2019, a related party advanced funds under a promissory note in the amount of $18,460. The loans are non-interest bearing, due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

17. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Fair value: The fair values of cash and cash equivalents are based on Level 1 inputs. Receivables and payables and accrued liabilities approximate their fair values based on their liquidity and short-term nature. Demand loans are recognized at their face values given that there is no market for similar loans, the balance owing is due on demand and they are all owed to related parties.

Interest rate risk: The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no interest-bearing debt. The Company believes its interest rate risk is not significant.

Credit risk: The Company is exposed to credit risk from receivables, which is the risk that they will not be received in full when due. Allowances are provided for potential losses that have been incurred at the reporting period date (estimated by management based on previous experience and its assessment of the current economic environment). These allowances are $ nil (2017 - $nil) as at September 30, 2018. The carrying amount of receivables on the balance sheet represents the Company's maximum credit exposure at the balance sheet date.

Capital management: The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of debt and equity. The capital structure of the Company consists of shareholders' equity (deficit) comprising of capital stock, contributed surplus and deficit. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. The Company's capital management objectives are unchanged from the prior year. The Company has no externally imposed capital requirements.

Total managed capital was as follows:

		Sept 30, 2018		Sept 30, 2017
Capital Stock	$	**23,588,518**	$	23,588,518
Contributed Surplus		**2,070,133**		2,070,133
Deficit		**(26,113,186)**		(25,998,436)
	$	**(454,535)**	$	(339,785)

CORPORATE INFORMATION

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CONTACT Martin MacKinnon Chief Financial Officer
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GENERAL INFORMATION

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(TSXV Exchange)

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CFO

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Warren Staude
Director
Australia

David Crombie
Director
Calgary AB

OFFICERS:
Chris Every
President & CEO
Cambridge UK

Martin C. MacKinnon
Chief Financial Officer
Halifax, NS

Black Bull Resources Inc.

Amended

Black Bull Resources Inc.

Annual Report

September 30, 2017

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Independent Auditor's Report

To the Shareholders of
Black Bull Resources Inc.

We have audited the accompanying financial statements of Black Bull Resources Inc., which comprise the statements of financial position as at September 30, 2017 and September 30, 2016, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Black Bull Resources Inc. as at September 30, 2017 and September 30, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Black Bull Resources Inc. to continue as a going concern.

Calgary, Alberta
March 29, 2018

"Crowe MacKay LLP"
Chartered Professional Accountants

Amended

BLACK BULL RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)		Sept. 30, 2017		Sept. 30, 2016
ASSETS				
Current				
Cash and cash equivalents (Note 15)	$	**36,432**	$	23,580
Receivables (Note 4)		**3,913**		5,248
Prepaid expenses		**10,185**		8,151
Other Assets (Note 8)		**291,729**		289,608
		342,259		326,587
Property, plant and equipment (Note 5)		**660**		941
Mineral claims (Note 6)		**1**		1
Deferred costs (Note 7)		**1**		1
	$	**342,921**	$	327,530
LIABILITIES				
Current				
Payables and accrued liabilities (Note 9)	$	**129,196**	$	65,502
Demand Loans (Note 12)		**242,429**		170,000
Deposit (Note 3)		**53,778**		53,778
Asset retirement obligation (Note 10)		**257,303**		252,509
		682,706		541,789
SHAREHOLDERS' EQUITY				
Capital stock (Note 11)		**23,588,518**		23,538,215
Contributed surplus (Note 11)		**2,070,133**		2,070,133
Deficit		**(25,998,436)**		(25,822,607)
		(339,785)		(214,259)
	$	**342,921**	$	327,530

Continuation of business (Note 1) and reference Subsequent Events (Note 16)

These financial statements were approved for issue by the Board of Directors on March 29, 2018 and are signed on its behalf by:

Chris Every Director

Dave Wood Director

See accompanying notes to the financial statements

Amended

BLACK BULL RESOURCES INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED SEPTEMBER 30

(Expressed in Canadian Dollars)		2017		2016
COSTS AND EXPENSES				
Operations and overhead	$	43,461	$	22,282
Amortization		281		6,366
Interest on demand loans (Note 11)		32,622		-
Sales and marketing		375		2,080
General and administration		97,158		72,932
Impairment (Note 5)		-		42,230
		173,897		145,890
LOSS BEFORE OTHER ITEMS		(173,897)		(145,890)
OTHER ITEMS				
Accretion		(4,794)		(32,074)
Interest income		2,862		2,900
NET (LOSS) AND COMPREHENSIVE (LOSS) FOR THE YEAR		(175,829)		(175,064)
Basic and diluted loss per share	$	(0.05)	$	(0.06)
Weighted average number of shares		3,283,906		3,028,442

See accompanying notes to the financial statements

BLACK BULL RESOURCES INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30

(Expressed in Canadian Dollars)		**2017**		2016
OPERATING ACTIVITIES				
Net (loss) for the year	**$**	**(175,829)**	$	(175,064)
Non-cash items included in net income (loss)				
Amortization		**281**		6,366
Impairment		**-**		42,230
Accretion on asset retirement obligation		**4,794**		32,074
Bonus shares issued		**32,622**		0
		(138,132)		(94,394)
Change in non-cash working capital accounts				
Receivables		**1,335**		(4,030)
Prepaid expenses		**(2,034)**		3
Payables and accrued liabilities		**63,694**		9,995
		(75,137)		(88,426)
INVESTING ACTIVITIES				
Reclamation deposits		**(2,121)**		(2,834)
		(2,121)		(2,834)
FINANCING ACTIVITIES				
Demand Loans		**97,429**		70,000
Share issue costs		**(7,319)**		-
		90,110		70,000
Change in cash and cash equivalents during the year		**12,852**		(21,260)
Cash and cash equivalents at beginning of the year		**23,580**		44,840
Cash and cash equivalents at end of year	**$**	**36,432**	$	23,580
Supplemental cash flow information:				
Interest received	**$**	**2,862**	$	2,900
Non-cash transactions:				
Shares issued to settle debt	**$**	**25,000**	$	-
Bonus shares issued as consideration for loans	**$**	**32,622**	$	-
Cash and cash equivalents are comprised of:				
Cash	**$**	**14,030**	$	1,052
Guaranteed investment certificates		**22,402**		22,528
	$	**36,432**	$	23,580

See accompanying notes to the financial statements

BLACK BULL RESOURCES INC.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED SEPTEMBER 30, 2017 AND 2016

(Expressed in Canadian Dollars)

	Common Shares		Contributed Surplus	Deficit	Total Equity
	#	$	$	$	$
Balance September 30, 2015	3,028,442	23,538,215	2,070,133	(25,647,543)	(39,195)
Net (loss)				(175,064)	(175,064)
Balance September 30, 2016	**3,028,442**	**23,538,215**	**2,070,133**	**(25,822,607)**	**(214,259)**
Net (loss)	**-**	**-**	**-**	**(175,829)**	**(175,829)**
Shares issued to settle debt	**227,273**	**25,000**	**-**	**-**	**25,000**
Bonus shares issued in consideration for loans	**296,572**	**32,622**	**-**	**-**	**32,622**
Share issue costs	**-**	**(7,319)**	**-**	**-**	**(7,319)**
Balance September 30, 2017	**3,552,287**	**23,588,518**	**2,070,133**	**(25,998,436)**	**(339,785)**

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

For years ended September 30, 2017 and 2016
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUATION OF BUSINESS

The Company with the registered and head office at P.O. Box 698 Shelburne, Nova Scotia was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On June 12, 2008 the Company continued under the Canada Business Corporations Act.

The Company is in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

On September 21, 2017, the Company announced that it has entered into an asset purchase agreement with a group of investment and business professionals to effect an arm's length "Change of Business" transaction (as defined in Policy 5.2 of the TSX Venture Exchange). The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange.

While the financial statements have been prepared based on accounting principles applicable to a going concern, several adverse conditions and events cast significant doubt upon the validity of this assumption.

GOING CONCERN

The Company continues to incur significant operating losses. There was no significant income this year, no active operations, and significant accumulated deficit. If the trend continues the current working capital is not sufficient to sustain the Company for the next 12 months. Such material uncertainties cast substantial doubt as to the ability of the Company to meet is obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's continued existence is dependent upon maintaining control of its mineral resources until such time as the market improves. However, there can be no assurances that the steps management is taking will be successful. Management's opinion is that the Company must conserve cash resources while the Company seeks strategic options.

The Company's ability to continue as a going concern depends on its ability to finance operations. The Company has been financed by demand loans from a related party.

If the going concern assumption were not appropriate for these financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements for the years ended September 30, 2017 and 2016, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 29, 2018.

BASIS OF MEASUREMENT

The accounting policies applied to these financials statements are presented in Note 2 and are based on IFRS issued and outstanding as of September 30, 2017. These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

a) Cash and cash equivalents

Cash and cash equivalents include amounts held on deposit and cashable guaranteed investment certificates with financial institutions.

b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Amortization is a method to write off the cost of the assets. Amortization is based on the asset's estimated useful life using either the declining-balance (DB) or straight-line (SL) method. The depreciation rates applicable to each category of property and equipment are as follows:

Buildings	10% DB
Equipment	20% DB
Office furniture and equipment	20% DB
Computer equipment	30% DB
Leasehold improvements	50% SL
Site improvements	20% SL

Amortization of buildings and equipment commence when they are commercially utilized; other property, plant and equipment are amortized 50% of the given rate in the first year.

c) Intangible assets

Intangible assets are accounted for at cost. Amortization is based on the asset's estimated useful life using either the declining-balance (DB) or straight-line (SL) method using the following rates:

Software	100% DB
Trademarks &Patents	10% SL

d) Mineral claims

The cost of mineral properties and their related exploration costs are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are considered to be impaired in value, an appropriate charge will be made at the time.

Costs include the cash consideration and the fair market value of share and options issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

The recorded carrying value of mineral claim costs represents costs incurred, net of impairments, and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an on-going basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written-down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or non-compliance with regulatory requirements.

e) Deferred costs

Deferred costs of mineral properties and their related exploration costs are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are considered to be impaired in value, an appropriate charge will be made at the time.

Costs include the cash consideration and the fair market value of share and options issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

The carrying amount of deferred exploration costs represents costs incurred, net of impairments, and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an ongoing basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written-down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or non-compliance with regulatory requirements

f) Revenue recognition

Revenue from mining operations is recognized upon existence of persuasive evidence of an arrangement, shipment of the product, when title has passed to the customer, the price is fixed or determinable, and collection is reasonably assured.

g) Asset retirement obligation

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 and risks specific to the liability, 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, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset 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 amount and timing of the Company's estimates of reclamation costs, are charged to profit and 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.

h) Use of estimates

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverable values and useful lives of property, plant and equipment, timing and costs used to determine expected asset retirement obligations, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

i) Stock-based compensation

The Company has a stock-based compensation plan as described in Note 11. The Company accounts for stock options using the fair-value method, whereby compensation expense for stock options is measured at the fair value at the grant date and is recognized over the vesting period of the options granted. The Company uses the Black-Scholes model to estimate fair value.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

j) 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 country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in 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 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 if a legally enforceable right exists and the deferred income taxes relate to the same taxable entity and the same taxation authority.

k) Loss per share

Loss per share is calculated using the weighted-average number of common shares outstanding. The weighted average is calculated based on the number of days outstanding for the years ended September 30, 2017 and 2016.

Diluted loss per share is determined as net loss divided by the weighted average number of diluted common shares outstanding for the period. Diluted common shares reflect the potential dilutive effect of exercising the stock options based on the treasury-stock method.

Stock options totaling nil (2016 - nil) were excluded in the computation of diluted loss per share because they were anti-dilutive.

l) Impairment of long-lived assets

The carrying amount of the Company's assets (which include property, plant and equipment and exploration and evaluation assets) is 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 loss and comprehensive loss.

The recoverable amount of an asset is the greater of an asset's 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 years.

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

n) 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 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 measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

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 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.

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 measured at fair value. Unrealized gains and losses are recognized in other comprehensive income.

Non-derivative financial liabilities (excluding financial guarantees) are measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the instruments 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.

As of September 30, 2017, and September 30, 2016, the Company has classified cash and cash equivalents as fair value through profit and loss, receivables as loans and receivables and payables and accrued liabilities and demand loans as other liabilities.

o) Foreign currency translation

Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the year except for amortization, which is translated at historical rates. Translation gains or losses are included in net loss.

p) Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Corporation's functional and presentation currency.

q) Changes to accounting Policies

New accounting standards

The Company has adopted these accounting standards effective October 1, 2016. The adoption of the standards and amendments had no material impact on the financial statements:

Amendments to IAS 1 Presentation of Financial Statements
These amendments clarify existing IAS 1 requirements resulting from the Disclosure Initiative. It is designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements.

Amendments to IFRS 7 Financial Instruments
The amendments clarify the applicability of the amendments to IFRS 7 Disclosure–Offsetting Financial Assets and Financial Liabilities to condensed interim financial statements.

Amendments to IAS 34 Interim Financial Reporting
These amendments clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and require a cross reference.

Amendments to IAS 16 Property, Plant and Equipment
These amendments clarify the acceptable methods of depreciation and amortization.

Amendments to IAS 38 Intangible Assets
These amendments clarify the acceptable methods of depreciation and amortization.

Accounting standards issued but not yet effective

The following accounting standards and amendments are effective for future periods.

Amendments to IAS 7 Statement of Cash Flows
These amendments (Disclosure Initiative) require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

These amendments are effective for reporting periods beginning on or after January 1, 2017.

Amendments to IAS 12 Income Taxes
These amendments, Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12), clarify how to account for deferred tax assets related to debt instruments measured at fair value.

These amendments are effective for reporting periods beginning on or after January 1, 2017.

IFRS 9 Financial Instruments
This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers
The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts,

insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service.

This standard is effective for reporting periods beginning on or after January 1, 2018.

Amendments to IFRS 2 Share-based Payment

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions.

These amendments are effective for reporting periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

This standard is effective for reporting periods beginning on or after January 1, 2019.

The adoption of accounting standards and amendments issued but not yet effective is not expected to have a material impact on the financial statements.

3. PROPOSED AQUISITION

The Company has entered into an arm's length Share Exchange Agreement (the "Share Exchange Agreement") dated April 23, 2014, for the acquisition (the "Transaction") by the Company of all of the issued and outstanding shares of AUS Industrial Minerals Limited ("AUS"), a privately held company incorporated under the laws of British Columbia and wholly owned by AUS Streams.

On November 6, 2015, AUS Streams sold AUS Industrial Minerals Limited to DWF Capital Limited (“DWF”), a private equity group in Australia. DWF has re-named AUS Industrial Minerals Limited, to Renewable Energy Minerals Limited ("REM"). As a result, the proposed take-over transaction was with REM, a private company that is wholly owned by DWF.

Pursuant to the Share Exchange Agreement, AUS has advanced a non-refundable deposit in the amount of US$50,000 (CDN$53,778) in favour of the Company. In exchange, the Company has agreed to issue 333,333 common shares, of the Company at a deemed issue price $0.15 on the closing date, subject to the prior approval of the TSX- V.

These funds have been used to fund the legal requirements of the Agreement. To date, the Company has dispersed the total amount of $53,778 on transaction-related expenditures, which have been expensed in the period incurred.

During the year ended September 30, 2017, the Transaction was terminated by the Company.

4. RECEIVABLES

		Sept 30 2017		Sept 30 2016
Harmonized Sales Tax (HST)	$	**3,913**	$	5,248
		3,913		5,248
Less: Allowance for doubtful accounts		**-**		-
	$	**3,913**	**$**	5,248

5. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2015, 2016 and 2017	$ 43,132	$ 107,872	$ 105,822	$ 17,115	$ 216,210	$ 490,151

Accumulated amortization and impairments	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2015	$ 41,793	$ 96,415	$ 69,081	$ 17,115	$ 216,209	$ 440,613
Amortization	401	2,291	3,675	-	-	6,367
Impairments	-	9,165	33,065	-	-	42,230
As at September 30, 2016	42,194	107,871	105,821	17,115	216,209	489,210
Amortization	281	-	-	-	-	281
As at September 30, 2017	$ 42,475	$ 107,871	$ 105,821	$ 17,115	$ 216,209	$ 489,491

Carrying value	Computer Equipment	Water Treatment Equipment	Water Treatment Building	Leasehold Improvements	Site Improvements	Total
As at September 30, 2016	$ 938	$ 1	$ 1	$ -	$ 1	$ 941
As at September 30, 2017	**$ 657**	**$ 1**	**$ 1**	**$ -**	**$ 1**	**$ 660**

During the year ended September 30, 2016, the Company assessed its water treatment equipment and building for indications of impairment. Based on this assessment, management has concluded that the carrying value of these assets may not be recoverable due to the location, age of the assets and the fact that the entity has no immediate or foreseeable plans to continue exploration and development at the site given the Company's lack of cash flow. As a result, the assets have been written down to their estimated recoverable amount, which is fair value less costs of disposal, and an impairment charge of $42,230 has been recorded to impairment expense.

6. MINERAL CLAIMS

	2017	2016
Cost, beginning and end of year	**$ 972,183**	$ 972,183
Accumulated depletion, beginning and end of year	**(14,381)**	(14,381)
Accumulated impairment, beginning and end of year	**(957,801)**	(957,801)
Accumulated depletion and impairments, beginning and end of year	**(972,182)**	(972,182)
Carrying value, end of year	**$ 1**	$ 1

7. DEFERRED COSTS

		2017		2016
Cost, beginning and end of year	$	**2,994,903**	$	2,994,903
Accumulated depletion, beginning and end of year		**(48,659)**		(48,659)
Accumulated impairment, beginning and end of year		**(2,946,243)**		(2,946,243)
Accumulated depletion and impairments, beginning and end of year		**(2,994,902)**		(2,994,902)
Carrying value, end of year	**$**	**1**	**$**	1

8. OTHER ASSETS

Other assets consist of funds held under the National Resources Reclamation Fund by the Province of Nova Scotia.

In addition, an irrevocable standby letter of credit of $17,400 (2016 - $17,400) has been issued to the Province of Nova Scotia (Note 15).

9. PAYABLES AND ACCRUED LIABILITIES

	Sept 30, 2017	Sept 30, 2016
Trade payables	**$129,196**	$65,502

10. ASSET RETIREMENT OBLIGATION

The Company's total asset retirement obligation is estimated based on the Company's net ownership interest in mineral leases and management's estimate of costs to abandon and reclaim these leases, as well as an estimate of the future timing of the costs to be incurred. Under the terms of the agreement with the Province of Nova Scotia, the Company is obligated to update its reclamation plan every three years.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements could be significant. The total undiscounted amount of the estimated cash flows required to settle its asset retirement obligations are approximately $257,303 (2016 - $252,509) which are expected to be settled over the next year. A risk-free interest rate of nil% (due to the nature of the liability being current) and an inflation rate of 2% were used to calculate the liability.

Changes to the liabilities were as follows:

	Sept 30, 2017		Sept 30, 2016	
Balance, beginning of year	$	252,509	$	220,435
Accretion		4,794		32,074
Balance, end of year	$	257,303	$	252,509

11. SHAREHOLDERS' EQUITY

a) Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

b) Issued, common shares

	September 30, 2017		September 30, 2016	
	#	$	#	$
Balance, beginning of year	**3,028,442**	**23,538,215**	3,028,442	23,538,215
Share issued to settle debt	**227,273**	**25,000**	-	-
Bonus shares issued as consideration for loans	**296,572**	**32,622**	-	-
Share issue costs	**-**	**(7,319)**	-	-
Balance, end of year	**3,552,287**	**23,588,518**	3,028,442	23,538,215

Share Consolidation

On February 24, 2017, the Company completed a share consolidation on the basis of one (1) post-consolidation common share for every thirty (30) pre-consolidation common shares. This transaction has been retrospectively presented throughout these financial statements which has resulted in all common shares and stock option transactions and balances being adjusted accordingly.

c) Contributed Surplus

	Stock Options Fair Value	**Warrants Fair Value**	**Total**
Balance, Sept 30, 2016	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**
Balance, Sept 30, 2017	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**

The contributed surplus of $2,070,133 (2016 - $2,070,133) consists of the fair value attributed to options and warrants granted and recognized to date.

d) Stock options

The Company has adopted, and its shareholders have approved, a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX Venture Exchange, and the options may be exercisable for a period of up to five years. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority.

The following table summarizes the status and changes in stock options:

	September 30, 2017		September 30, 2016	
	#	Weighted average exercise price	#	Weighted average exercise price
Outstanding, beginning of year	-	$ -	27,500	$ 0.10
Expired	-	-	(27,500)	0.10
Outstanding, end of year	-	$ -	-	$ -
Exercisable, end of year	-	$ -	-	$ -

12. DEMAND LOANS AND CONVERTIBLE DEBENTURES

During the year ended September 30, 2017, Zenith Appraisal & Land Consulting Ltd. (the "Holder") advanced funds under four promissory notes in the amount of $97,429 (2016 - $70,000 advanced under two promissory notes). The loans are covered under a general security agreement, non-interest bearing and due on demand by the Holder, or shall be converted to common shares of Black Bull Resources Inc. During the year ended September 30, 2017, loans totalling $25,000 were settled through the issuance of 227,273 common shares at a deemed price of $0.11/share. At September 30, 2017, the total balance owing under these demand loans was $242,429 (2016 - $170,000).

The Holder is considered a related party as it is controlled by a director of the Company. Due to the fact that the loans are repayable on demand, the fair market value has been determined to be equivalent to the face value of the loans. The equity component of the loan has been deemed to be $nil and the entire amount has been recognized as a liability.

13. RELATED PARTY BALANCES AND TRANSACTIONS

The following amounts are due to related parties:

Demand Loans		
	Sep 30 2017	Sep 30 2016
David Wood (Zenith Appraisal & Land Consulting Ltd.)	**$ 242,429**	$ 170,000
Total	**$ 242,429**	$ 170,000

For the years ending September 30, 2017 and September 30, 2016, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officer.

Period Ending		
Year ending	**Sept 30 2017**	Sept 30 2016
Martin MacKinnon CFO	**$ 12,699**	$ 20,361

Stock-based compensation expense for the directors and senior officers was $ nil (2016 - $nil) for the year ending September 30, 2017.

During the year ended September 30, 2017, the Company settled debt owing to a related party in the amount of $25,000 through the issuance of 227,273 common shares at a deemed price of $0.11/share (see Note 11 and 12). The Company also issued 296,575 common shares to a related party at a deemed price of $0.11/share as consideration for loans received. The value of these shares of $32,622 has been recorded as interest on demand loans.

14. INCOME TAX

The income tax recovery and change in tax benefits not recognized differs from the amounts computed by applying Canadian statutory rates of 31.0% (2016 – 31.0%) to the loss before income taxes as follows:

	2017	2016
Income tax recovery at statutory rate	$ 55,000	$ 54,000
Expiration of previously unrecognized deferred tax assets	-	(362,000)
Share issue costs	2,000	-
Decrease (increase) in tax benefits not recognized	(57,000)	308,000)
	$ -	$ -

The approximate tax effect of temporary differences and tax loss carry forwards that give rise to the Company's deferred income tax assets computed by applying Canadian statutory rates of 31.0% (2016 – 31.0%) are as follows:

	2017	2016
Deferred income tax assets		
Property, plant and equipment	$ 82,000	$ 81,000
Mineral claims	1,245,000	1,243,000
Share issue costs	203,000	202,000
Other	5,000	5,000
Tax loss carry forwards	4,362,000	4,309,000
Capital loss carry forwards	26,000	26,000
	5,923,000	5,866,000
Tax benefit not recognized	(5,923,000)	(5,866,000)
Deferred income tax asset	$ -	$ -

The Company has $14,000,000 of non-capital losses carried forward which can be applied against future taxable income and will expire between 2026 and 2037.

15. RESTRICTED CASH

The Company has provided an assignment of cash as security on the irrevocable standby letter of credit to the Province of Nova Scotia (Note 8) and for corporate credit card liabilities. As at September 30, 2017, $17,400 (2016 - $17,400) was held in a guaranteed investment certificate as security.

16. SUBSEQUENT EVENTS

On January 29, 2018 and March 1, 2018, a related party advanced fund under two promissory notes in the amount of $32,595 and $25,000 respectively. The loans are non-interest bearing, due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

17. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Fair value: The carrying values of cash and cash equivalents, receivables, payables and accrued liabilities and demand loans approximate their fair values based on their liquidity and short-term nature.

Interest rate risk: The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no interest-bearing debt. The Company believes its interest rate risk is not significant.

Credit risk: The Company is exposed to credit risk from receivables, which is the risk that they will not be received in full when due. Allowances are provided for potential losses that have been incurred at the reporting period date; however, these allowances are $ nil (2016 - $nil) as at September 30 2017. The carrying amount of receivables on the balance sheet represents the Company's maximum credit exposure at the balance sheet date.

The carrying amount of receivables on the balance sheet is net of allowance for doubtful accounts, estimated by management based on previous experience and its assessment of the current economic environment.

Capital management: The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of debt and equity. The capital structure of the Company consists of shareholders' equity comprising of capital stock, contributed surplus and deficit. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. The Company's capital management objectives are unchanged from the prior year.

Total managed capital was as follows:

		Sept 30 2017		Sept 30 2016
Capital Stock	**$**	**23,588,518**	$	23,538,215
Contributed Surplus		**2,070,133**		2,070,133
Deficit		**(25,998,436)**		(25,822,607)
	$	**(339,785)**	$	(214,259)

CORPORATE INFORMATION

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CONTACT Martin MacKinnon Chief Financial Officer
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GENERAL INFORMATION

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Calgary, AB T2P 2Z1

Auditors:
Crowe MacKay LLP
Suite 1700
717 - 7th Avenue SW,
Calgary, AB T2P 0Z3

Investor Relations:
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CFO

DIRECTORS:
David L. Wood
Director
Surrey, BC

Chris Every
Director
Cambridge UK

Warren Staude
Director
Australia

David Crombie
Director
Calgary AB

OFFICERS:
Chris Every
President & CEO
Cambridge UK

Martin C. MacKinnon
Chief Financial Officer
Halifax, NS

Amended

Black Bull Resources Inc.

Black Bull Resources Inc.

Annual Report

September 30, 2016

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LETTER TO SHAREHOLDERS

January 30, 2017

During the fiscal year ending September 30, 2016, Black Bull Resources Inc. (The Company) incurred a small loss as outlined in the financial statements.

The Company had no sales during the year as Black Bull Resources Inc. was shut down while the Company continued to seek longer-term strategic options for its reserves.

The Company continues to work through the previously announced transaction. More information will be released as it becomes available.

In addition, during 2016, the Company secured two demand loans ($40,000 and $30,000) from a director, which provided the ongoing working capital for the company while the aforementioned transaction is completed.

It is clear that much uncertainty remains regarding the viability of Black Bull Resources Inc.

Chris Every
President and CEO

FINANCIAL STATEMENTS

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Independent Auditors' Report

To the Shareholders of
Black Bull Resources Inc.

We have audited the accompanying financial statements of Black Bull Resources Inc., which comprise the statements of financial position as at September 30, 2016 and September 30, 2015, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Black Bull Resources Inc. as at September 30, 2016 and September 30, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Black Bull Resources Inc. to continue as a going concern.

"Crowe MacKay LLP"

Chartered Professional Accountants
Calgary, Alberta
January 30, 2017

BLACK BULL RESOURCES INC.

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)		Sept 30 2016		Sept 30 2015
ASSETS				
Current				
Cash and cash equivalents (Note 16)	$	23,580	$	44,840
Receivables (Note 4)		5,248		1,218
Prepaid expenses		8,151		8,154
Other assets (Note 8)		289,608		-
		326,587		54,212
Property, plant and equipment (Note 5)		941		49,537
Mineral claims (Note 6)		1		1
Deferred costs (Note 7)		1		1
Other assets (Note 8)		-		286,774
	$	327,530	$	390,525
LIABILITIES				
Current				
Payables and accrued liabilities (Note 9)	$	65,502	$	55,507
Demand Loans (Note 12)		170,000		100,000
Deposit (Note 3)		53,778		53,778
Asset Retirement Obligation (Note 10)		252,509		-
		541,789		209,285
Asset retirement obligation (Note 10)		-		220,435
		541,789		429,720
SHAREHOLDERS' EQUITY				
Capital stock (Note 11)		23,538,215		23,538,215
Contributed surplus (Note 11)		2,070,133		2,070,133
Deficit		(25,822,607)		(25,647,543)
		(214,259)		(39,195)
	$	327,530	$	390,525

Nature of operations and continuation of business (Note 1) and reference Subsequent Event (Note 17)

These financial statements were approved for issue by the Board of Directors on January 30, 2017 and are signed on its behalf by:

Chris Every Director

Dave Wood Director

See accompanying notes to the financial statements

BLACK BULL RESOURCES INC.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED SEPTEMBER 30

(Expressed in Canadian Dollars)	2016	2015
EXPENSES		
Operations and overhead	$ 22,282	$ 20,804
Amortization (Note 5)	6,366	8,799
Sales and marketing	2,080	1,822
General and administration (Note 13)	72,932	81,147
Impairment (Note 5)	42,230	-
	145,890	112,572
LOSS BEFORE OTHER ITEMS	(145,890)	(112,572)
OTHER ITEMS		
Revision on ARO obligation (Note 10)	-	6,046
Accretion (Note10)	(32,074)	(4,854)
Interest income	2,900	3,185
NET (LOSS) AND COMPREHENSIVE (LOSS) FOR THE YEAR	(175,064)	(108,195)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of shares	90,853,269	90,853,269

BLACK BULL RESOURCES INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30

(Expressed in Canadian Dollars)		2016		2015
OPERATING ACTIVITIES				
Net (loss) for the year	$	(175,064)	$	(108,195)
Non-cash items included in net income (loss)				
Amortization		6,366		8,799
Impairment		42,230		-
Accretion on asset retirement obligation		32,074		4,854
Revision on ARO obligation		-		(6,046)
		(94,394)		(100,588)
Change in non-cash working capital accounts				
Receivables		(4,030)		5,005
Prepaid expenses		3		(3,081)
Payables and accrued liabilities		9,995		(16,088)
		(88,426)		(114,752)
INVESTING ACTIVITIES				
Reclamation deposits		(2,834)		(3,118)
		(2,834)		(3,118)
FINANCING ACTIVITIES				
Funds Held In Trust		-		39,571
Demand loans		70,000		100,000
		70,000		139,571
Change in cash and cash equivalents during the year		(21,260)		21,701
Cash and cash equivalents at beginning of the year		44,840		23,139
Cash and cash equivalents at end of year	$	23,580	$	44,840
Supplemental cash flow information:				
Interest received		2,900		3,185
Cash and cash equivalents are comprised of:				
Cash	$	1,052	$	22,337
Guaranteed investment certificates		22,528		22,503
	$	23,580	$	44,840

See accompanying notes to the financial statements

BLACK BULL RESOURCES INC.

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED SEPTEMBER 30, 2015 and SEPTEMBER 30, 2016

(Expressed in Canadian Dollars)					Total
	Common Shares		surplus	Deficit	Equity
	Without par Value	$	$	$	$
Balance September 30, 2014	**90,853,269**	**23,538,215**	**2,070,133**	**(25,539,348)**	**69,000**
Net (loss)				(108,195)	(108,195)
Balance September 30, 2015	**90,853,269**	**23,538,215**	**2,070,133**	**(25,647,543)**	**(39,195)**
Net (loss)				**(175,064)**	(175,064)
Balance September 30, 2016	**90,853,269**	**23,538,215**	**2,070,133**	**(25,822,607)**	**(214,259)**

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

For years ended September 30, 2016 and 2015
(Expressed in Candian Dollars)

1. NATURE OF OPERATIONS AND CONTINUATION OF BUSINESS

The Company with the registered and head office at P.O. Box 698 Shelburne, Nova Scotia was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On June 12, 2008 the Company continued under the Canada Business Corporations Act.

The Company is in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

While the financial statements have been prepared on the basis of accounting principles applicable to a going concern, several adverse conditions and events cast significant doubt upon the validity of this assumption.

GOING CONCERN

The Company continues to incur significant operating losses. There was no significant income this year, no active operations, and significant accumulated deficit. If the trend continues the current working capital is not sufficient to sustain the Company for the next 12 months. Such material uncertainties cast substantial doubt as to the ability of the Company to meet is obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's continued existence is dependent upon maintaining control of its mineral resources until such time as the market improves. However, there can be no assurances that the steps management is taking will be successful. Management's opinion is that the Company must conserve cash resources while the Company seeks strategic options.

The Company's ability to continue as a going concern depends on its ability to finance operations. The company has been financed with interest free demand loans from a director.

If the going concern assumption were not appropriate for these financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements for the years ended September 30, 2016 and 2015, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 30, 2017.

BASIS OF MEASUREMENT

The accounting policies applied to these financials statements are presented in Note 2 and are based on IFRS issued and outstanding as of October 1, 2015. These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

a) Cash and cash equivalents

Cash and cash equivalents include amounts held on deposit and cashable guaranteed investment certificates with financial institutions.

b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Amortization is a method to write off the cost of the assets. Amortization is based on the asset's estimated useful life using either the declining-balance (DB) or straight-line (SL) method. The depreciation rates applicable to each category of property and equipment are as follows:

Buildings	10% DB
Equipment	20% DB
Office furniture and equipment	20% DB
Computer equipment	30% DB
Leasehold improvements	50% SL
Site improvements	10% SL

Amortization of buildings and equipment commence when they are commercially utilized; other property, plant and equipment are amortized 50% of the given rate in the first year.

c) Intangible assets

Intangible assets are accounted for at cost. Amortization is based on the asset's estimated useful life using either the declining-balance (DB) or straight-line (SL) method using the following rates:

Software	100% DB
Trademarks &Patents	10% SL

d) Mineral claims

The cost of mineral properties and their related exploration costs are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are considered to be impaired in value, an appropriate charge will be made at the time.

Costs include the cash consideration and the fair market value of share and options issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

The recorded cost of mineral claims costs represents costs incurred and is not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an on-going basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written-down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

e) Deferred costs

Deferred costs of mineral properties and their related exploration costs are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are considered to be impaired in value, an appropriate charge will be made at the time.

Costs include the cash consideration and the fair market value of share and options issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

The recorded costs of deferred exploration costs represents costs incurred and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an ongoing basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written-down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements

f) Revenue recognition

Revenue from mining operations is recognized upon existence of persuasive evidence of an arrangement, shipment of the product, when title has passed to the customer, the price is fixed or determinable, and collection is reasonably assured.

g) Asset retirement obligation

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 and risks specific to the liability, 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, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset 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 amount and timing of the Company's estimates of reclamation costs, are charged to profit and 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 Company currently has $289,608 in Reclamation Funds on deposit with the Province of Nova Scotia.

h) Use of estimates

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property, plant and equipment, timing and costs used to determine expected asset retirement obligations, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

i) Stock-based compensation

The Company has a stock-based compensation plan as described in Note 11. The Company accounts for stock options using the fair-value method, whereby compensation expense for stock options is measured at the fair value at the grant date and is recognized over the vesting period of the options granted. The Company uses the Black-Scholes model to estimate fair value.

j) 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 country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss 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 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, 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.

k) Loss per share

Loss per share is calculated using the weighted-average number of common shares outstanding. The weighted average is calculated based on the number of days outstanding for the years ended September 30, 2016 and 2015.

Diluted loss per share is determined as net loss divided by the weighted average number of diluted common shares outstanding for the period. Diluted common shares reflect the potential dilutive effect of exercising the stock options based on the treasury-stock method.

Stock options totaling nil (2015 - 825,000) were excluded in the computation of diluted loss per share because they were anti-dilutive.

l) Impairment of long-lived assets

The carrying amount of the Company's assets (which include property, plant and equipment and exploration and evaluation assets) is 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 income.

The recoverable amount of assets is the greater of an asset's 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 years.

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

m) Comprehensive income

The Company has no other comprehensive income components and, accordingly, the Company's net loss equals comprehensive loss.

n) 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 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 measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

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 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.

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 measured at fair value. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the instruments 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.

As of September 30, 2016, and September 30, 2015, the Company has classified cash and cash equivalents as fair value through profit and loss, receivables as loans and receivables and payables and accrued liabilities and demand loans as other liabilities.

o) Foreign currency translation

Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the year except for amortization, which is translated at historical rates. Translation gains or losses are included in net loss.

p) Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Corporation's functional and presentation currency.

q) Changes to accounting Policies

Accounting standards issued but not yet effective

IFRS 5 Non current Assets Held for Sale and Discontinued Operations
The amendment clarifies circumstances in which an entity reclassifies an asset (or disposal group) from held for sale to held for distribution (or vice versa), and in circumstances which an entity no longer meets the criteria for held for distribution.

This standard is effective for reporting periods beginning on or after January 1, 2016.

IFRS 7 Financial Instruments
The amendment clarifies the applicability of the amendments to IFRS 7 Disclosure– Offsetting Financial Assets and Financial Liabilities to condensed interim financial statements.

This amendment is effective for reporting periods beginning on or after January 1, 2016.

IAS 19 Employee Benefits
The amendment clarifies the application of the requirements of IAS 19 Employee Benefits (2011) on determination of the discount rate to a regional market consisting of multiple countries sharing the same currency.

This standard is effective for reporting periods beginning on or after January 1, 2016.

IAS 34 Interim Financial Reporting
The amendment clarifies the meaning of disclosure of information 'elsewhere in the interim financial report' and requires a cross reference.

This amendment is effective for reporting periods beginning on or after January 1, 2016.

IFRS 11 Joint Arrangements
These amendments require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3) to: (a) apply all of the business combinations accounting principles in IFRS 3 and other IFRS standards, except for those principles that conflict with the guidance in IFRS 11; and (b) disclose the information required by IFRS 3 and other IFRS standards for business combinations. The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured).

These amendments are effective for reporting periods beginning on or after January 1, 2016.

IAS 27 Separate Financial Statements
This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

This amendment is effective for reporting periods beginning on or after January 1, 2016.

Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)
These amendments require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

This standard is effective for reporting periods beginning on or after January 1, 2017.

IFRS 9 Financial Instruments
This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service.

This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

This standard is effective for reporting periods beginning on or after January 1, 2019. The Company is currently reviewing these statements and does not anticipate a significant impact on the financial statements.

3. PROPOSED AQUISTION

As originally announced on April 30, 2014, the Company has entered into an arm's length Share Exchange Agreement (the "Share Exchange Agreement") dated April 23, 2014, for the acquisition (the "Transaction") by the Company of all of the issued and outstanding shares of AUS Industrial Minerals Limited ("AUS"), a privately held company incorporated under the laws of British Columbia and wholly owned by AUS Streams.

On November 6, 2015, AUS Streams sold AUS Industrial Minerals Limited to DWF Capital Limited ("DWF"), a private equity group in Australia. DWF has re-named AUS Industrial Minerals Limited, to Renewable Energy Minerals Limited ("REM"). As a result, the proposed take-over transaction will now be with REM, a private company that is wholly owned by DWF.

The Proposed Acquisition

The Share Exchange Agreement provides that the shareholders of REM (formerly AUS) will exchange all of the issued and outstanding shares of REM to the Company, in exchange for 103,333,333 post consolidated common shares of the Company at a deemed price of $0.15 per common share, for an aggregate deemed purchase price of $15.5 million the ("Purchase Price"). The Purchase Price has been calculated on the assumption that the assets owned by REM shall have an audited net tangible asset value of $28,000,000, including $3,000,000 of working capital, on the closing date. In addition, the Company is proposing to issue purchase warrants, on a post consolidation basis as a Dividend in Specie, to all of its existing shareholders at an exercise price of $0.15 per common share and expiring 36 months from the closing date, subject to TSX-V approval. Based on the total number of post consolidated outstanding common shares of the Company, as determined on a record date to be declared by the board of directors and which will be announced in a subsequent news release, the Dividend in Specie will be distributed on the basis of one warrant for each post consolidated outstanding common share of the Company. It is anticipated that 3,028,442 warrants will be issued.

The closing of the Transaction is subject to a number of conditions, including: (i) TSX-V and shareholder approval, (ii) the Company shall consolidate its existing common shares on a 30 for 1 basis such that immediately prior to closing it will have 3,028,442 common shares outstanding, and (iii) the Company shall change its name to AUS Industrial Minerals Limited.

Upon completion of the Transaction, the Resulting Issuer will have 106,361,775 common shares outstanding, 3,028,442 warrants at an exercise price of $0.15 expiring 36 months from the date of issue, and 28,333 stock options as of September 30, 2015, having an exercise price of $0.15 and expiring no later than 0.8 years from closing. It is also anticipated that at closing, the resulting issuer will grant additional options to acquire common shares at a price of $0.15 per share to the directors, officers, employees and consultants. Further details will be provided in a subsequent news release.

Pursuant to the Share Exchange Agreement, AUS has advanced a non-refundable deposit in the amount of US$50,000 (CDN$53,778) in favour of the Company. In exchange, the Company has agreed to issue 333,333 common shares, post consolidation, of the Company at a deemed issue price $0.15 on the closing date, subject to the prior approval of the TSX-V.

These funds have been used to fund the legal requirements of the Agreement. To date, the Company has dispersed the total amount of $53,778 on transaction-related expenditures, which have been expensed in the period incurred.

4. RECEIVABLES

		Sept 30 2016		Sept 30 2015
Government (HST)	$	**5,248**	$	1,218
		5,248		1,218
Less: Allowance for doubtful accounts		**-**		-
	$	**5,248**	**$**	1,218

5. PROPERTY, PLANT AND EQUIPMENT

						Sept 30, 2016
		Cost		**Accumulated Amortization**		**Net Book Value**
Computer equipment	**$**	**43,132**	**$**	**42,194**	**$**	**938**
Equipment - Water Treatment		**107,872**		**107,871**		**1**
Building - Water Treatment		**105,822**		**105,821**		**1**
Leasehold improvements		**17,115**		**17,115**		**-**
Site improvements		**216,210**		**216,209**		**1**
	$	**490,151**	**$**	**489,210**	**$**	**941**

						Sept 30, 2015
		Cost		Accumulated Amortization		Net Book Value
Computer equipment	$	43,132	$	41,794	$	1,338
Equipment - Water Treatment		107,872		96,415		11,457
Building - Water Treatment		105,822		69,081		36,741
Leasehold improvements		17,115		17,115		-
Site improvements		216,210		216,209		1
	$	490,151	$	440,614	$	49,537

During the year ended September 30, 2016, the Company assessed its water treatment equipment and building for indications of impairment. Based on this assessment, management has concluded that the carrying value of these assets may not be recoverable due to the location, age of the assets and the fact that the entity has no immediate or foreseeable plans to continue exploration and development at the site given the Company's lack of cash flow. As a result, the assets have been written down to their estimated recoverable amount, which is fair value less costs of disposal, and an impairment charge of $42,230 has been recorded to impairment expense.

6. MINERAL CLAIMS

		Sept 30, 2016		Sept 30, 2015
Balance, beginning of period	**$**	**1**	**$**	1
Balance, end of period		**1**		1
Accumulated depletion		**-**		-
Write-down		**-**		-
Net book value	**$**	**1**	**$**	1

7. DEFERRED COSTS

Deferred Exploration and Development Costs		**Sept 30, 2016**		**Sept 30, 2015**
Balance, beginning of period	**$**	**1**	**$**	**1**
Development		**-**		**-**
Balance, end of period		**1**		**1**
Accumulated depletion		**-**		**-**
Write-down		**-**		**-**
Net book value	**$**	**1**	**$**	**1**

8. OTHER ASSETS

Other assets consist of funds held for future reclamation costs by the Province of Nova Scotia. The Natural Resources Reclamation Fund contains $289,608 (2015 - $286,774).

In addition, an irrevocable standby letter of credit of $17,400 (2015-$19,033) has been issued to the Province of Nova Scotia (Note 16).

Other Assets		
	Sept 30, 2016	Sept 30, 2015
Department of Natural Resources On Deposit	**$ 286,774**	$ 283,656
Interest Earned	**2,834**	3,118
Total Other Assets	**$ 289,608**	$ 286,774

9. PAYABLES AND ACCRUED LIABILITIES

		Sept 30, 2016		Sept 30, 2015
Trade	$	65,502	$	55,507

10. ASSET RETIREMENT OBLIGATION

The Company's total asset retirement obligation is estimated based on the Company's net ownership interest in mineral leases and management's estimate of costs to abandon and reclaim these leases, as well as an estimate of the future timing of the costs to be incurred. Under the terms of the agreement with the Province of Nova Scotia lease, the Company is obligated to update its reclamation plan every three years.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements could be significant. The total undiscounted amount of the estimated cash flows required to settle its asset retirement obligations are approximately $252,509 (2015 - $220,435) which are expected to be settled over the next year. A risk-free interest rate of nil% (due to the nature of the liability being current) and an inflation rate of 2% were used to calculate the liability. Changes to the liabilities were as follows:

		Sept 30, 2016		Sept 30, 2015
Balance, beginning of year	$	**220,435**	$	221,627
Change in the Estimate				(6,046)
Accretion		**32,074**		4,854
Balance, end of year	$	**252,509**	$	220,435

11. SHAREHOLDERS' EQUITY

a) Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

b) Issued, common shares

	Sept 30, 2016		Sept 30, 2015	
	#	$	#	$
Issued	**90,853,269**	**$23,538,215**	90,853,269	$23,538,215

Share Consolidation

In 2011, the Company adopted a resolution consolidating all of the issued and outstanding common shares of the Corporation on the basis of one (1) post-consolidation share for up to every thirty (30) pre-consolidation shares. There was no effective date to implement this resolution.

c) Contributed Surplus

		Stock Options	Warrants	
		Fair Value	**Fair Value**	**Total**
Balance, Sept 30, 2015	**$**	**1,236,797**	**833,336**	**2,070,133**
Balance, Sept 30, 2016	**$**	**1,236,797**	**833,336**	**2,070,133**

The contributed surplus of $2,070,133 (2015- $2,070,133) consists of the fair value attributed to options and warrants granted and recognized to date. The fair value of options is recognized over the length of the vesting period (18 months).

d) Stock options

The Company has reserved 9,000,000 common shares for issuance under the Stock Option Plan. The Plan provides for the granting of options which qualify for treatment as incentive stock options or non-statutory stock options and entitles directors, employees, and consultants to purchase common shares of the Company. Options granted are subject to approval by the Board of Directors. The exercise price of each option equals the average market price of the Company's stock on the date of grant and the maximum term of an option is 5 years. Options are exercisable into shares at a ratio of 1 to 1.

The options generally vest over a period of 18 months from the date of grant and immediately become exercisable once vested. The options generally have a term of 5 years.

The following table summarizes the status and changes in stock options:

	Stock Options		
			Weighted
	Number		Average price
Outstanding as at September 30, 2014	**1,419,985**	**$**	**0.10**
Exercisable as at September 30, 2014	**1,419,985**		**0.10**
2015			
Cancelled/expired	**(594,985)**		**0.10**
Outstanding as at September 30, 2015	**825,000**	**$**	**0.10**
Exercisable as at September 30, 2015	**825,000**		**0.10**
2016			
Cancelled/expired	**(825,000)**		**0.10**
Outstanding as at September 30, 2016	**-**	**$**	**-**
Exercisable as at September 30, 2016	**-**		**-**

12. DEMAND LOAN & CONVERTIBLE DEBENTURES

During the year ended September 30, 2016, Zenith Appraisal & Land Consulting Ltd. (the "Holder") advanced funds under two promissory notes in the amount of $70,000 (2015- advanced two promissory notes in the amount of $100,000) for a total of $170,000 advanced to the Company. No interest will be payable to the Holder, and payment is due on demand by the Holder, or shall be converted to shares of Black Bull Resources Inc. at $0.15/share following the 30:1 stock consolidation of the existing shares of Black Bull Resources Inc.

The Holder is considered a related party since a Director of Black Bull Resources, David Wood, is also the owner and president of the Holder. Due to the fact that the loans are repayable on demand, the fair market value has been determined to be equivalent to the face value of the loans. The equity component of the loan has been deemed to be $nil and the entire amount has been recognized as a liability.

13. RELATED PARTY BALANCES AND TRANSACTIONS

The following amounts are due to related parties:

Demand Loans		
	Sep 30 2016	Sep 30 2015
David Wood (Zenith Appraisal & Land Consulting Ltd.)	**170,000**	100,000
Total	**170,000**	100,000

For the years ending September 30, 2016 and September 30, 2015, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officer.

Administrative Fees Period Ending		
Year ending	**Sept 30 2016**	Sept 30 2015
Martin MacKinnon CFO	**20,361**	23,940
Joseph MacDonald Consultant	**-**	2,790
Total	**20,361**	26,730

Stock-based compensation expense for the directors and senior officers was $ nil (2015 - $nil) for the year ending September 30, 2016.

14. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Fair value: The carrying values of cash and cash equivalents, receivables, payables and accrued liabilities and demand loans approximate their fair values based on their liquidity and short-term nature.

Interest rate risk: The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no interest-bearing debt. The Company believes its interest rate risk is not significant.

Credit risk: The Company is exposed to credit risk from receivables, which is the risk that they will not be received in full when due. Allowances are provided for potential losses that have been incurred at the reporting period date; however, these allowances are $ nil (2015 - $nil) as at September 30 2016. The carrying amount of receivables on the balance sheet represents the Company’s maximum credit exposure at the balance sheet date.

The carrying amount of receivables on the balance sheet is net of allowance for doubtful accounts, estimated by the management of the Company based on previous experience and its assessment of the current economic environment.

Capital management: The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of the debt and equity balance. The capital structure of the Company consists of shareholders' equity comprising of capital stock, contributed surplus and deficit. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. The Company's capital management objectives are unchanged from the prior year.

Total managed capital was as follows:

		Sept 30 2016		Sept 30 2015
Capital Stock	**$**	**23,538,215**	$	23,538,215
Contributed Surplus		**2,070,133**		2,070,133
Deficit		**(25,822,607)**		(25,647,543)
	$	**(214,259)**	$	(39,195)

15. INCOME TAX

The income tax recovery and change in tax benefits not recognized differs from the amounts computed by applying Canadian statutory rates of 31.0% (2015 – 31.0%) to the loss before income taxes as follows:

		2016		2015
Income tax recovery at statutory rate	$	54,000	$	33,000
Expiration of losses		-		(483,000)
Expiration of previously unrecognized deferred tax assets		(362,000)		-
Decrease (increase) in tax benefits not recognized		308,000		450,000
Income tax recovery	$	-	$	-

The approximate tax effect of temporary differences and tax loss carry forwards that give rise to the Company's deferred income tax assets computed by applying Canadian statutory rates of 31.0% (2015 – 31.0%) are as follows:

	2016	2015
Deferred income tax assets		
Property, plant and equipment	$ 81,000	$ 65,000
Mineral claims	1,243,000	1,227,000
Share issue costs	202,000	202,000
Other	5,000	-
Tax loss carry forwards	4,309,000	4,680,000
Capital loss carry forwards	26,000	-
	5,866,000	6,174,000
Tax benefit not recognized	(5,866,000)	(6,174,000)
Deferred income tax asset	$ -	$ -

The Company has $13,899,000 of non-capital losses carried forward which can be applied against future taxable income and will expire between 2026 and 2036.

16. RESTRICTED CASH

Since 2008, the Company has provided an assignment of cash in a guaranteed investment certificate as security on the irrevocable standby letter of credit to the Province of Nova Scotia (Note 8) and for corporate credit card liabilities. As at September 30, 2016, $17,400 (2015 - $19,033) was held in a guaranteed investment certificate as security.

17. SUBSEQUENT EVENT

On December 19, 2016 the Company secured an additional non-interest bearing $25,000 demand loan from a Director that is due on demand by the Holder or shall be converted to shares of Black Bull Resources Inc. at $0.15/share following the post 30:1 stock consolidation of the existing shares of Black Bull Resources Inc.

MANAGEMENT'S DISCUSSION & ANALYSIS

OF FINANCIAL AND OPERATING RESULTS
(In Canadian dollars)

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51-102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Black Bull Resources Inc.'s ("Black Bull" or the "Company") audited financial statements for the year ended September 30, 2016 and audited statement dated September 30, 2015, together with the accompanying notes. Such financial statements have been prepared in accordance with International Financial Reporting Standards. Any information provided prior to October 1, 2010 within the MD&A, has been prepared in accordance with the Canadian Generally Accepted Accounting Principles in place at that time.

This MD&A is prepared as of January 30, 2017.

Forward Looking Statements

Certain statements contained in the report constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Black Bull or its management, are intended to identify forward-looking statements. Such statements reflect current views of Black Bull with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in mineral prices, fluctuations in currency exchange rates, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

Overall Performance

The focus for Black Bull in 2016 was to continue to reduce its cash burn, and seek strategic options including completing the previously announced share exchange agreement.

The long term future of Black Bull is dependent upon maintaining control of its mineral resources until such time as the mineral markets improve. However, there can be no assurances that the steps management is taking will be successful.

Selected Annual Information and Results of Operations

	Year ended September 30, 2016	Year ended September 30, 2015	Year ended September 30, 2014	Year ended September 30, 2013	Year ended September 30, 2012
	$	$	$	$	$
Mineral $ Misc Revenue	-	-	-	138	35
Net Income (loss) and Comprehensive Loss	(175,064)	(108,195)	(138,012)	(192,450)	26,907
Net Income (loss) per Share (Basic and Diluted)	0.00	0.00	0.00	0.00	0.00
Total Assets	327,530	390,525	416,000	480,927	694,783

In 2016, mineral revenue was $nil (2015 - nil). The Company is now in 'care and maintenance' therefore there is no mineral revenue. During fiscal 2016, total operating expenses were $145,890 (2015 - $112,572) an increase of 30% over 2015. Operational costs were $22,282 (2015 - $20,804). The operation costs include property lease costs of $14,886 (2015 - $16,080), environmental monitoring $3,220 (2015 - $603) property taxes $4,170 (2015 - $4,115) and reclamation obligation accretion $32,074 (2015 - $4,854).

Sales and marketing costs in 2016 were $2,080 which is similar to 2015 which was $1,822.

General & Administrative Costs	Year ended September 30, 2016	Year ended September 30, 2015	Year ended September 30, 2014	Year ended September 30, 2013	Year ended September 30, 2012
	$	$	$	$	$
Accounting & Legal Fees	17,021	14,018	23,664	12,697	12,020
Insurance	-	119	(9,728)	36,396	41,409
Investor Relations	25,942	26,381	19,427	35,545	28,217
Office, Rent & Telephone	8,012	10,308	12,450	8,149	6,419
Travel	1,596	3,094	1,600	2,161	1,789
Consulting Fees	20,361	27,227	37,562	34,760	50,262
Wages & Benefits	-	-	2,966	6,590	7,034
Other	-	-			-
	72,932	81,147	87,941	136,298	147,150

In 2016 general and administration costs were $72,932 (2015 - $81,147) a 10% reduction over 2015. This is primarily due to a continued reduction in consulting costs, investor relations and office rent and telephone.

In 2016 accretion allocation is $32,074 (2015 $4,854).

Interest income is $2,900 (2015 - $3,185). This is interest primarily earned from funds held by the Province.

For 2016, the Company reported a net loss of $175,064 compared to a loss for 2015 of $108,195. This is a loss of $0.00 per share ($0.00 in 2015).

Summary of Quarterly Results and Results of Operations*

Quarterly Results	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Income:								
Interest (expense) income	728	704	704	764	1,032	704	701	748
Total Revenue	728	704	704	764	1,032	704	701	748
Costs:								
Operations and overhead	3,613	5,949	4,750	7,970	6,759	4,750	4,545	4,750
Sales & marketing	206	151	125	1,598	125	75	232	1,390
General & admin.	24,708	15,365	18,028	14,831	17,984	23,844	23,733	15,586
Amort./depletion	1,591	1,591	1,592	1,592	2,199	2,200	2,200	2,200
Impairment	42,230	-	-	-	-	-	-	-
Total Costs	72,348	23,056	24,495	25,991	27,068	30,869	30,710	23,925
Net Income (loss) before other items	(71,620)	(22,352)	(23,791)	(25,227)	(26,036)	(30,165)	(30,009)	(23,177)
Other Items								
Revisions to ARO					(6,046)			
Accretion	30,875	-	-	1,199	4,854	-	-	-
Net loss	(102,495)	(22,352)	(23,791)	(26,426)	(24,844)	(30,165)	(30,009)	(23,177)
Net loss per share (basic & diluted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Operating Cash	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Net loss	(102,495)	(22,352)	(23,791)	(26,426)	(24,844)	(30,165)	(30,009)	(23,177)
Non-cash operating items	73,497	2,790	1,592	2,791	1,007	2,200	2,200	2,200
Net cash loss from operations	(28,998)	(19,562)	(22,199)	(23,635)	(23,836)	(27,965)	(27,809)	(20,978)

During Q4 2016, there was no income other than interest income of $728 (Q4 2015 $1,032) earned on reclamation funds. Operations and overhead cost of $3,613 (Q4 2015 $6,759) is comprised of property leases of $3,722 wages for site monitoring and, property tax allocation $1,029, offset by an adjustment of $1,138.

In Q4 2016 Marketing costs were $206 (Q4 2015 - $125) is related to consultant telephone and web hosting.

General & Administrative Costs	Q4 2016	Q3 2016	Q4 2015
	$	$	$
Accounting & Legal Fees	4,989	5,958	5,273
Insurance	-	-	(2,381)
Investor Relations	14,678	3,100	5,187
Office, Rent & Telephone	1,266	2,257	2,770
Travel	-	-	655
Consulting Fees	3,775	4,650	6,480
Wages & Benefits			
Other	-	-	-
	24,708	15,964	17,984

In Q4 2016, General and Administration cost were $24,708 (Q4 2015- $17,984). The company continues to aim to reduce costs during the care and maintenance period. Investor relations were considerable higher due to one time security commission costs and costs associated with planning an upcoming AGM. Other Administrative costs were in line.

Amortization costs were $1,591 the same as the previous quarter and less than Q4 2015 due to lower book values of the remaining assets.

In Q4 2016 other item consist of reclamation accretion of $30,875 (Q5 2015 - $4,854)

During the fourth quarter, the Company reported a net loss of $102,495 compared to a net loss of $24,844 in Q4 2015 or $0.00 per share versus $0.00 in Q4 2015. The Company recorded $73,497 ($1,007 in Q4 2015) in non-cash operating items in Q4 2016, resulting in net cash loss from operations of $28,998 compared to a net cash loss from operation of $23,836 in Q4 2015.

Liquidity

As at September 30, 2016, Black Bull had negative working capital of $215,202 (current assets less current liabilities). On September 30, 2015 the Company had negative working capital of $155,073. This is due to the fact that the cash position of the Company continues to decline.

The estimated burn rate for the next twelve months is $100,000. The Company plans to meet its financial shortfall through raising new funds through convertible debt, and through further reductions in the cash burn.

The Company will continue to incur significant operating losses. In response the Company implemented a plan to significantly reduce the Company's cash burn. The Company intends to continue with "care and maintenance", which allows the Company to operate into 2017 with minimal operational obligations.

To meet ongoing obligations the company secured two non interest bearing demand loans totaling $70,000 from a Director, while the Company pursues the proposed acquisition

Capital Resources

The Company continues to reduce its cash burn through the implementation of reduced operations which will be implemented as part of the approved Reduced Operations Business Plan.

During the year ended September 30, 2016, Zenith Appraisal & Land Consulting Ltd. (the Holder) advanced additional funds under two promissory notes in the amount of $70,000 (advanced $100,000 under two promissory notes in 2015), for a total of $170.000. No interest will be payable to the Holder, and payment is due on demand by the Holder, or shall be converted to shares of Black Bull Resources Inc. at $0.15/share following the 30:1 stock consolidation of the existing shares of Black Bull Resources Inc.

In addition on April 30, 2014, The company announced that it has entered into an arm's length Share Exchange Agreement (the "Share Exchange Agreement") dated April 23, 2014, for the acquisition (the "Transaction") by the Company of all of the issued and outstanding shares of AUS Industrial Minerals Limited ("AUS"), a privately held company incorporated under the laws of British Columbia. That proposed acquisition remains outstanding

The Proposed Acquisition

The Share Exchange Agreement provides that the shareholders of AUS will exchange all of the issued and outstanding shares of AUS to the Company, in exchange for 103,333,333 post consolidated common shares of the Company at a deemed price of $0.15 per common share, for an aggregate deemed purchase price of $15.5 million (Cdn.) the ("Purchase Price"). The Purchase Price has been calculated on the assumption that the assets owned by AUS shall have an audited net tangible asset value of $28,000,000 (Cdn.), including $3,000,000 of working capital, on the closing date. In addition, the Company is proposing to issue purchase warrants, on a post consolidation basis as a Dividend in Specie, to all of its existing shareholders at an exercise price of $0.15 per common share and expiring 36 months from the closing date, subject to TSX-V approval. Based on the total number of post consolidated outstanding common shares of the Company, as determined on a record date to be declared by the board of directors and which will be announced in a subsequent news release, the Dividend in Specie will be distributed on the basis of one warrant for each post consolidated outstanding common share of the Company. It is anticipated that 3,028,442 warrants will be issued.

The closing of the Transaction is subject to a number of conditions, including: (i) TSX-V and shareholder approval, (ii) the Company shall consolidate its existing common shares on a 30 for 1 basis such that immediately prior to closing it will have 3,028,442 common shares outstanding, and (iii) the Company shall change its name to AUS Industrial Minerals Limited.

Upon completion of the Transaction, the Resulting Issuer will have 106,361,775 common shares outstanding, 3,028,442 warrants at an exercise price of $0.15 and expiring 36 months from the date of issue, and 28,333 stock options as of September 30, 2015, having an exercise price of $0.15 and expiring no later than 0.8 years from closing. It is also anticipated that at closing, the resulting issuer will grant additional options to acquire common shares at a price of $0.15 per share to the directors, officers, employees and consultants. Further details will be provided in a subsequent news release.

Pursuant to the Share Exchange Agreement, AUS has advanced a non-refundable deposit in the amount of $50,000 USD in favour of the Company. In addition, the Company has agreed to advance a deposit of $50,000 to AUS via the issuance of 333,333 common shares, post consolidation, of the Company at a deemed issue price $0.15 on the closing date, subject to the prior approval of the TSX-V, which deposit will be applied against the Purchase Price

Since April, 2014 these funds have been, used to fund the legal requirements of the Agreement. To date the Company has dispersed $53,778 in legal fees, with $nil still held in trust.

Transactions with Related Parties

Included in accounts payable and demand loans are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company.

Demand Loans		
	Sep 30 2016	Sep 30 2015
David Wood (Zenith Appraisal & Land Consulting Ltd.)	**170,000**	100,000
Total	**170,000**	100,000

For the years ended September 30, 2016 and September 30, 2015, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officers for the year ended September 30, 2016 and September 30, 2015, respectively.

Administrative Fees Period Ending		
Year ending	**Sept 30 2016**	Sept 30 2015
Martin MacKinnon CFO	**20,361**	23,940
Joseph MacDonald Consultant	**-**	2,790
Total	**20,361**	26,730

Stock-based compensation expense for the directors and senior officers was $ nil (2015 - $nil) for the year ended September 30, 2016 and 2015, respectively.

Critical Accounting Estimates

The preparation of the Company’s financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates are based upon management's historical experience and various other assumptions that are believed by management to be reasonable under the circumstances. Such assumptions and estimates are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Management believes the following critical accounting policies affect its more significant estimates and assumptions used in the preparation of its financial statements.

Mineral properties and deferred costs

The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a units-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof.

Property, Plant and Equipment

Property, plant and equipment represent significant assets of the Company. Depreciation and amortization are recorded on either a declining-balance (DB) or straight-line (SL) basis. Management of the Company reviews and evaluates the carrying value of major assets for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may no longer represent their economic value.

Other estimates

The Company also makes estimates for doubtful accounts, income taxes, stock-based compensation and asset retirement obligations.

Management estimates the collectability of the Company's receivables based on historical experience, age of the receivables, the specific customers' indebted to the Company and general market conditions. Based on these factors, management determines an appropriate amount to be provided as an allowance for doubtful accounts.

In the calculation of income taxes, management will recognize a future income tax asset for all deductible temporary differences, unused tax losses and income tax reductions, and then review the asset to estimate whether a portion or all of it will be realized. The future income tax valuation allowance is estimated so as to be sufficient to reduce the asset to the amount that is more likely than not to be realized.

The Company records compensation expense for stock options using the fair value method. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. To apply this application assumptions are made regarding the following factors; risk free interest rate, stock volatility, expected life and expected dividend yield. Management determines these factors based on current market conditions and other information available on the date of the grant.

The Company also uses estimates in recognizing the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates or timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Other MD&A Disclosures

For the year ending September 30, 2016, no options were granted and 825,000 options expired.

Outstanding Securities	**Year Ending September 30, 2016**	**Period Ending January 30, 2017**
Common Shares	90,853,269	90,853,269
Options (Exercisable to one Common Share)	-	-
Total Outstanding Securities	90,853,269	90,853,269

Risks and Uncertainties

Mineral exploration and development involves a high degree of risk since few properties are developed into producing mines. There are no assurances that the Company's mineral exploration activities will result in further resources that would be economical for commercial production. The commercial viability of mineral deposits is dependent upon a number of factors beyond the Company's control. Some of these factors are attributable to commodity or product pricing and demand, competitive products, currency fluctuations, government policy and regulation, transportation, and environmental protection.

Resource estimates involve degrees of uncertainty in calculation of reserves and the corresponding grades. Resource estimates are dependent partially on statistical inferences drawn from drilling, sampling, and other data. The indicated and inferred resource figures set forth by the Company are estimates, and there is no certainty that the level of resources will be realized or the chemical composition or concentration of the resources will be maintained throughout the property. In addition, a decline in the market price of industrial minerals, or a substantial increase in production or shipping costs, may adversely affect the economics of a reserve and may require the Company to reduce its estimates.

Transportation is a critical part of the Company's success. It is imperative that Black Bull provide cost-effective transportation solutions to customers.

Like many Canadian companies many do business in the USA, Black Bull is affected by fluctuations in currency exchange rates. Most of the Company's sales, including freight charges, will be denominated in US dollars. The Company has some natural hedges with US dollar-based expenses; however, there will be instances when there is exposure to exchange risks. These risks are considered when management sets product pricing and makes hedging decisions.

Maintaining sufficient cash resources to finance a start-up operation is difficult. Debt financing is usually based on positive cash flows and a significant customer base. Many junior resource companies experience difficulties obtaining debt financing and must rely on other sources such as market equity, mezzanine financing, and/or government programs.

Black Bull's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on improvement in mineral prices, improvement in sales volumes, and its ability to fund future development programs, and to manage and generate positive cash flows from operations in the future. The Company's financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

The Company has assessed whether the amounts recorded for mineral claims and deferred costs have suffered any impairment by considering resource estimates, future processing capacity, anticipated sales, and the longer term price estimates for minerals. Management's estimates of these factors are subject to risk and uncertainties, affecting the recoverability of the recorded amounts for mineral claims and deferred costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets

Subsequent Event

On December 19, 2016 the Company secured an additional non-interest bearing $25,000 demand loan from a Director that is due on demand by the Holder or shall be converted to shares of Black Bull Resources Inc. at $0.15/share following the post 30:1 stock consolidation of the existing shares of Black Bull Resources Inc.

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company’s website at www.blackbullresources.com.

CORPORATE INFORMATION

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www.blackbullresources.com

CONTACT
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GENERAL INFORMATION

Trading Symbol: BBS
(TSXV Exchange)

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Director
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Chris Every
Director
Cambridge UK

Warren Staude
Director
Australia

David Crombie
Director
Calgary AB

OFFICERS:
Chris Every
President & CEO
Cambridge UK

Martin C. MacKinnon
Chief Financial Officer
Halifax, NS

Black Bull Resources Inc.

BLACK BULL RESOURCES INC.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

December 31, 2018
Prepared by Management
(Expressed in Canadian dollars)

BLACK BULL RESOURCES INC.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	BLACK BULL			Pro Forma Consolidated
As at	**December 31 2018**	**Note**	**Pro Forma Adjustments**	**December 31 2018**
Assets				
Current				
Cash and cash equivalents	$26,932	3(a)	2,944,000	**2,970,932**
Amounts receivable	3,110	-		**3,110**
Prepaids expenses	5,525	-		**5,525**
Other Assets	296,219	-		**296,219**
Total Current Assets	$331,786		2,944,000	**3,275,786**
Investments		2	2,900,000	**2,900,000**
Transaction costs		2	469,152	**469,152**
Property, plant and equipment	414		-	**414**
Mineral Claims	1		-	**1**
Exploration and Evaluation Assets	1		-	**1**
Total Assets	**$332,202**		**6,313,152**	**6,645,354**
Liabilities				
Current				
Accounts payable and accrued liabilities	$125,308	2	200,000	**325,308**
Demand Loans	366,024	4	(366,024)	
Deposit	53,778	4	(53,778)	
Asset Retirement Obligation	263,296			**263,296**
Total Liabilities	**$808,406**		**(219,802)**	**588,604**
Shareholders' Equity				
Preferred Share Capital		2/3(a)	2,840,000	**2,840,000**
Common Share Capital	23,588,518	3(a)	1,104,000	**27,281,472**
		2	1,900,000	
		4	419,802	
		4	19,152	
		2	250,000	
Contributed surplus	2,070,133			**2,070,133**
Retained earnings (deficit)	(26,134,855)			**(26,134,855)**
Total Equity	**$(476,204)**		**$6,532,954**	**$6,056,750**
Total Liabilities and Equity	**$332,202**		**$6,313,152**	**$6,645,354**

See accompanying notes to the unaudited pro forma consolidated financial statements.

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars unless otherwise stated)
(Unaudited)

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position (the "Pro Forma") of Black Bull Resources Inc. ("Black Bull" or the "Corporation") has been prepared by management to show the proposed transaction (the "Transaction") as described in Note 2. Black Bull was incorporated under the Business Corporations Act (Alberta) on July 18, 1997 and continued under the CBCA on June 12, 2008. Black Bull's registered and head office is located at 6278 Yukon Street, Halifax, Nova Scotia B3L 1G1.

The Pro Forma has been prepared from information derived from, and should be read in conjunction with, the following condensed interim financial statements:

i. the unaudited condensed interim consolidated statement of financial position of Black Bull as at December 31, 2018; and

ii. the terms and conditions of the proposed Transaction;

The Pro Forma of the Corporation as at December 31, 2018 has been presented assuming the transaction had been completed on December 31, 2018.

The Pro Forma has been compiled using the significant accounting policies as set out in the audited consolidated financial statements of Black Bull for the year ended September 30, 2018.

It is managements' opinion that the Pro Forma includes all adjustments necessary for the fair presentation of the Transaction described in Note 2 in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Pro Forma does not include all the information and disclosures required by IFRS for annual financial statements. The Pro Forma has been prepared for illustration purposes only and may not be indicative of the results or financial position had the Transaction been in effect as at December 31, 2018.

2. Transaction

On July 25, 2017, the Parties entered into a non-binding letter of intent, pursuant to which Black Bull agreed to acquire the Target Assets in exchange for the issuance of a total of 28,000,000 Common Shares, and 1,000,000 Series B Preferred Shares.

On September 18, 2017, the Purchase Agreement was signed by the Parties in respect of the Acquisition. The Purchase Agreement contains representations and warranties, covenants and various conditions precedent with respect to each of the Parties, which are customary for transactions in the nature of the Acquisition and provides for the implementation of the Acquisition. A copy of the Purchase Agreement is available on SEDAR at www.sedar.com. On May 26, 2018, the Parties signed an amending agreement with respect to the Transactions, which increased the purchase price payable by Black Bull by 10,000,000 Common Shares, to a total of 38,000,000 Common Shares and 1,000,000 Series B Preferred Shares. At the request of the TSXV, the Series B Preferred Shares have been replaced by 100,000 Series A Preferred Shares. It is also expected that following the completion of the Transaction, the Corporation will change its name to "Magnetic North Acquisition Corp." or such other name as the Board may determine (the "Name Change").

The Transaction does not meet the definition of a business combination and is therefore accounted for as an asset acquisition under IFRS 2 – Share-based payment. Black Bull has been identified as the acquirer for accounting purposes. The preliminary Transaction cost has been determined as follows:

Fair value of 38,000,000 Common Shares issued	$	1,900,000
Fair value of 100,000 Preferred Series A Shares issued		1,000,000
Total consideration transferred	**$**	**2,900,000**
Assets Held as Investments	$	2,900,000
Net assets acquired	**$**	**2,900,000**
Issuance of Common Shares for finders fees	$	250,000
Estimated legal fees and other transaction costs including Chen Debt	$	219,152
Total transaction costs	**$**	**469,152**

(Expressed in Canadian dollars unless otherwise stated)

3. Pro forma assumptions and adjustments

The Pro Forma give effect to the following assumptions as if they had occurred on December 31, 2018:

(a) Proceeds from the proposed brokered private placement of 12,000,000 Common Shares at $0.10 Per Common Share, and 200,000 Preferred Series A Shares at $10.00 per Preferred Share for total gross proceeds of $3.2 million.

(b) In March of 2019, Black Bull completed the issuance of 7,982,000 Common Shares and 49,680 Series A Preferred Shares for gross proceeds of $1,295,000. On April 9, 2019, Black Bull completed the issuance of 130,499 Series A Preferred Shares for gross proceeds of $1,304,990.

4. Pro forma share capital

Pro forma share capital as at December 31, 2018 has been determined as follows:

	Number of Shares	Value
Common shares of Black Bull issued and outstanding as at December 31, 2018	3,552,287	$ 23,588,518
Effect of conversion of debt	4,198,018	419,802
Common Shares issued as finders fees	500,000	250,000
Common Shares issued for Chen debt	268,800	$13,440
Common shares issued in exchange for assets	38,000,000	1,900,000
Common shares issued under private placement	12,000,000	1,200,000
Pro forma share capital	**58,519,105**	**$ 27,371,760**

MANAGEMENT'S DISCUSSION & ANALYSIS

OF FINANCIAL AND OPERATING RESULTS
(In Canadian dollars)

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51-102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Black Bull Resources Inc.'s ("Black Bull" or the "Company") unaudited condensed interim financial statements for the period ended December 31, 2018, and audited financial statements for year ended September 30, 2018, together with the accompanying notes.

This MD&A is prepared as of May 22, 2019.

Forward Looking Statements

Certain statements contained in the report constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Black Bull or its management, are intended to identify forward-looking statements. Such statements reflect current views of Black Bull with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in mineral prices, fluctuations in currency exchange rates, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

Overall Performance

The focus for Black Bull in Q1 2019 was to continue to reduce its cash burn, and seek strategic options including completing the Proposed Change of Business.

The long-term future of Black Bull is dependent upon maintaining control of its mineral resources until the mineral markets improve. However, there can be no assurances that the steps management is taking will be successful.

Summary of Quarterly Results and Results of Operations

Quarterly Results	2019	2018				2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	$	$	$	$	$	$	$	$
Income:								
Misc. revenue								
Interest (expense) income	835	1,657	234	717	717	718	708	708
Total Revenue	835	1,657	234	717	717	718	708	708
Costs:								
Operations and overhead	5,029	8,099	9,210	8,293	8,312	26,813	5,949	5,949
Sales & marketing	140	29	176	75	140	50	125	125
General & admin.	16,087	18,260	16,474	32,088	11,928	18,395	32,622	26,229
Amort./depletion	49	49	49	50	50	281	-	-
Impairment					-	-		-
Interest on Demand loans					-	32,622		
Total Costs	21,305	26,437	25,909	40,505	20,430	78,161	38,696	32,303
Loss	(20,470)	(24,780)	(25,675)	(39,788)	(19,713)	(77,443)	(37,988)	(31,595)
Other Items								
Accretion	1,199	1,198	1,199	1,198	1,198	1,197	1,199	1,199
Net loss	(21,669)	(25,978)	(26,874)	(40,986)	(20,911)	(78,640)	(39,187)	(32,794)
Net loss per share (basic & diluted)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.02)	(0.01)	(0.01)

Operating Cash	2019	2018				2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	$	$	$	$	$	$	$	$
Net loss	(21,669)	(25,978)	(26,874)	(40,986)	(20,911)	(78,640)	(39,187)	(32,794)
Non-cash								
operating items	1,248	1,246	1,248	1,248	1,249	34,100	1,199	1,199
Net cash loss								
from operations	(20,421)	(24,732)	(25,626)	(39,738)	(19,662)	(44,540)	(37,988)	(31,595)

During Q1 2019, there was no income other than interest income of $835 (Q1 2018 $717) earned on reclamation funds and similar to the same period in the previous year. Operations and overhead cost of $5,029 (Q1 2018 - $8,312) is comprised of property leases of $4,000 (Q1 2018 - $4,000), property tax allocation $1,029 (Q1 2018 - $1,050), costs related to environmental monitoring $nil (Q1 2018 -$2,800), and miscellaneous of $nil (Q1 2018- $462). Compared to Q4

2018, operations and overhead cost of $8,099 comprised of property leases of $4,000, property tax allocations $1,029, and a miscellaneous expense of $370.

In Q1 2019 marketing costs were $140 (Q1 2018 - $140) is related to consultant telephone and web hosting.

General & Administrative Costs	Q1 2019	Q1 2018
	$	$
Accounting & Legal Fees	6,485	5,000
Investor Relations	5,309	3,500
Office, Rent & Telephone	1,728	1087
Consulting Fees	2,200	2,025
Bank and Finance fees	365	316
	16,087	11,928

In Q1 2019, General and Administration cost were $16,087 (Q1 2018 - $11,928). In Q1 2019 cost related to legal and accounting $6,485 (Q1 2018 - $5,000), Investor relations $5,309 (Q1 - 2018 - $3,500) The company continues to aim to complete the change of Business Transaction. Other General and Administration were similar to Q1 2018 and Q4 2018.

Amortization costs were $49 (Q1 2018 $50).

In Q1 2019 other item consisted of reclamation accretion of $1,199 (Q1 2018 - $1,198)

During the first quarter of 2019, the Company reported a net loss of $21,699 compared to a net loss of $20,911 in Q1 2018 or $0.01 per share versus $0.01 in Q1 2018. The Company recorded $1,248 ($1,249 in Q1 2018) in non-cash operating items in Q1 2019, resulting in net cash loss from operations of $20,421 compared to a net cash loss from operation of $19,662 in Q1 2018.

Liquidity

As at December 31, 2018, Black Bull had negative working capital of $476,620 (current assets of $331,786 less current liabilities of $808,406). On September 30, 2018 the Company had negative working capital of $455,000.

The estimated cash requirement for the next twelve months is estimated to be $100,000. The Company plans to meet its financial shortfall through raising new funds through convertible debt, and through further reductions through costs controlling costs. The existing lender, David Wood (Zenith Appraisal & Land Consulting Ltd.) has indicated a willingness to provide the necessary working capital to the company pending the completion of the Proposed Change of Business.

Capital Resources

The Company will continue to incur significant operating losses. In response the Company implemented a plan to significantly reduce the Company's working capital requirements. The Company intends to continue with "care and maintenance", which allows the Company to operate into 2019 with minimal operational obligations.

To meet ongoing obligations the company intends to secure non-interest-bearing demand loans, while the Company pursues the proposed change of business.

Proposed Change of Business

On September 21, 2017, the Company announced it has entered into an asset purchase agreement with a group of investment and business professionals to affect an arm's length "Change of Business" transaction (as defined in Policy 5.2 of the TSX Venture Exchange). The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange.

Transactions with Related Parties

Included in accounts payable and demand loans are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company.

Demand Loans		
	Dec 31 2018	Sept 30 2018
David Wood (Zenith Appraisal al & Land Consulting Ltd.)	**$366,024**	$351,024

In addition to the demand loans indicated above David Wood (Zenith Appraisal al & Land Consulting Ltd.) advanced funds on January 22, 2018 under a promissory note in the amounts of $18,460. The loan is non-interest bearing due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

Included in accounts payable are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company

	Period ending	Period ending
	December 31 2018	September 30, 2018
Martin MacKinnon CFO	Nil	$775

For the periods ending December 31, 2018 and December 31, 2017 the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officer.

Period Ending		
Period ending	**Dec 31 2018**	Dec 31, 2017
Martin MacKinnon CFO	**$ 2,200**	$ 2,025

Stock-based compensation expense for the directors and senior officers was $ nil for the period ending December 31, 2018.

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Critical Accounting Estimates

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates are based upon management's historical experience and various other assumptions that are believed by management to be reasonable under the circumstances. Such assumptions and estimates are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Management believes the following critical accounting policies affect its more significant estimates and assumptions used in the preparation of its financial statements.

Mineral properties and deferred costs
The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a units-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof.

Property, Plant and Equipment

Property, plant and equipment represent significant assets of the Company. Depreciation and amortization are recorded on either a declining-balance (DB) or straight-line (SL) basis. Management of the Company reviews and evaluates the carrying value of major assets for impairment each reporting period and when events or changes in circumstances indicate that the carrying amounts of the related asset may no longer represent their economic value.

Other estimates

The Company also makes estimates for doubtful accounts, income taxes, stock-based compensation and asset retirement obligations.

Management estimates the collectability of the Company’s receivables based on historical experience, age of the receivables, the specific customers indebted to the Company and general market conditions. Based on these factors, management determines an appropriate amount to be provided as an allowance for doubtful accounts.

In the calculation of income taxes, management will recognize a future income tax asset for all deductible temporary differences, unused tax losses and income tax reductions, and then review the asset to estimate whether a portion or all of it will be realized. The future income tax valuation allowance is estimated to be sufficient to reduce the asset to the amount that is more likely than not to be realized.

The Company records compensation expense for stock options using the fair value method. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. To apply this application assumptions are made regarding the following factors; risk free interest rate, stock volatility, expected life and expected dividend yield. Management determines these factors based on current market conditions and other information available on the date of the grant.

The Company also uses estimates in recognizing the liability associated with an asset retirement obligation (“ARO”) in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates or timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Other MD&A Disclosures

For the period ending December 31, 2018, no options were granted and no (December 31, 2017 – nil) options expired.

Outstanding Securities	**Period Ending December 31, 2018**	**Period ending May 22, 2019**
Common Shares	3,552,287	3,552,287
Options - (Exercisable to one Common Share)	nil	nil
Total Outstanding Securities	3,552,287	3,552,287

Risks and Uncertainties

Mineral exploration and development involve a high degree of risk since few properties are developed into producing mines. There are no assurances that the Company's mineral exploration activities will result in further resources that would be economical for commercial production. The commercial viability of mineral deposits is dependent upon several factors beyond the Company's control. Some of these factors are attributable to commodity or product pricing and demand, competitive products, currency fluctuations, government policy and regulation, transportation, and environmental protection.

Resource estimates involve degrees of uncertainty in calculation of reserves and the corresponding grades. Resource estimates are dependent partially on statistical inferences drawn from drilling, sampling, and other data. The indicated and inferred resource figures set forth by the Company are estimates, and there is no certainty that the level of resources will be realized, or the chemical composition or concentration of the resources will be maintained throughout the property. In addition, a decline in the market price of industrial minerals, or a substantial increase in production or shipping costs, may adversely affect the economics of a reserve and may require the Company to reduce its estimates.

Transportation is a critical part of the Company's success. It is imperative that Black Bull provide cost-effective transportation solutions to customers.

Like many Canadian companies many do business in the USA, Black Bull is affected by fluctuations in currency exchange rates. Most of the Company's sales, including freight charges, will be denominated in US dollars. The Company has some natural hedges with US dollar-based expenses; however, there will be instances when there is exposure to exchange risks. These risks are considered when management sets product pricing and makes hedging decisions.

Maintaining sufficient cash resources to finance a start-up operation is difficult. Debt financing is usually based on positive cash flows and a significant customer base. Many junior resource companies experience difficulties obtaining debt financing and must rely on other sources such as market equity, mezzanine financing, and/or government programs.

Black Bull's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on improvement in mineral prices, improvement in sales volumes, and its ability to fund future development programs, and to manage and generate positive cash flows from operations in the future. The Company's financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

The Company has assessed whether the amounts recorded for mineral claims and deferred costs have suffered any impairment by considering resource estimates, future processing capacity, anticipated sales, and the longer-term price estimates for minerals. Management's estimates of these factors are subject to risk and uncertainties, affecting the recoverability of the recorded amounts for mineral claims and deferred costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets.

Subsequent Events

1) On February 4, 2019, the Company entered into an option agreement with Infrastructure Commodities Limited ("ICML"), a related party by virtue of a common officer and director. Under the terms of the agreement, the Company granted ICML the sole and exclusive right and option to explore and mine the Company's White Rock property located in Yarmouth County, Nova Scotia. In consideration of the grant of the option, ICML will pay to the Company 50% of the net after tax profits from the sale of quartz, kaolin and mica products mined at the property.

   The agreement is subject to several conditions to closing as follows:

   • Within 1 month of the option grant date, and no later than Feb 28, 2019, ICML must prepare a paper describing the anticipated exploitation prospects to facilitate the preparation of a bankable report;

   • Within 3 months of the option grant date, and not later than May 28, 2019, ICML must:

   a) Research and prepare a review of the applicable quartz market for use in preparing a plan for exploiting the quartz prospects on the property;

   b) Prepare a report on options to pre-treat feedstock prior to delivery to high value clients;

   c) Preview potential offtake partners in the USA, Canada, EU and Asia for higher-end market opportunities;

d) Preview potential exploitation partners; and

e) Preview prospects for beneficiation technology located in Nova Scotia.

- Within 4 months of the option grant date, and not later than June 28, 2019, ICML must:

a) Outline the prospective project value and return to investors in a pre-bankable report; and

b) Prepare an outline of a budget for completion of due diligence and a bankable report on the exploitation of the quartz, kaolin and mica assets on the property.

- Within 5 months of the option grant date, and not later than July 28, 2019, ICML must be prepared to review project possibilities with the Company for the way forward for exploitation of the property for quartz, kaolin and mica production and sale of aforesaid.

2) On January 22, 2019, a related party advanced funds under a promissory note in the amount of $18,460. The loan is non-interest baring on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

3) On March 2019, the Company completed the issuance of 7,982,000 Common Shares and 49,680 Series A Preferred Shares for gross proceeds of $1,295,000. In April 2019, the Company completed the issuance of 130,499 Series A Preferred Shares for gross proceeds of $1,304,990.

4) The Company has used a portion of the Private Placement proceeds to make investments of $500,000 in Previcare Corp. and $250,000 in Foamtech North America Ltd.

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website at www.blackbullresources.com.

MANAGEMENT'S DISCUSSION & ANALYSIS

OF FINANCIAL AND OPERATING RESULTS
(In Canadian dollars)

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51-102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Black Bull Resources Inc.'s ("Black Bull" or the "Company") audited financial statements for the year ended September 30, 2018, together with the accompanying notes. Such financial statements have been prepared in accordance with International Financial Reporting Standards.

This MD&A is prepared as of January 28, 2019.

Forward Looking Statements

Certain statements contained in the report constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Black Bull or its management, are intended to identify forward-looking statements. Such statements reflect current views of Black Bull with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in mineral prices, fluctuations in currency exchange rates, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

Proposed Change of Business

On September 21, 2017 the Company announced that the Company has signed a definitive agreement dated September 19, 2017 with a group of investment and business professionals to effect an arm's length "Change of Business" (as defined in Policy 5.2 of the TSX Venture Exchange) transaction (the "Transaction") which, subject to regulatory and final closing conditions, will see Black Bull transition from a Resource Issuer to an Investment Issuer within the meaning of such terms in the policies of the TSX Venture Exchange (the "Exchange" or "TSXV"). As the Transaction is an arm's length transaction involving an issuer listed on the NEX, it is anticipated that no shareholder approval will be required. This transaction is ongoing. More information can be found on SEDAR

Overall Performance

The focus for Black Bull in 2018 was to continue to reduce its cash burn, and seek strategic options including completing the proposed change of business transaction.

The long-term future of Black Bull is dependent upon maintaining control of its mineral resources until such time as the mineral markets improve. However, there can be no assurances that the steps management is taking will be successful.

Selected Annual Information and Results of Operations

	Year Ended September 30, 2018 $	Year Ended September 30, 2017 $	Year Ended September 30, 2016 $
Mineral $ Misc. Revenue	Nil	Nil	Nil
Net Income (loss) and Comprehensive Loss	(114,750)	(175,829)	(175,064)
Net Income (loss) per (Basic and Diluted)	(0.03)	(0.05)	(0.06)
Total Assets	334,528	342,921	327,530

In 2018, mineral revenue was $nil (2017 - nil). The Company is now in 'care and maintenance' therefore there is no mineral revenue. During fiscal 2018, total operating expenses were $113,281 (2017 - $173,897) a decrease of 35% over 2017. Operational costs were $33,914 (2017- $43,461). The operations and overhead costs include, property lease costs of $19,264 (2017 - $19,600), environmental monitoring $9,862 (2017 - nil), property taxes $4,136 (2017 - $4,183) and in 2017 only there was a one-time cost related to an updated NI 43-101 technical report of $19,677.

In 2018 amortization was $197 (2017 - $281).

In 2017 the company incurred a one-time interest costs related to the conversion of debt to shares $32,622.

Sales and marketing costs in 2018 were $420 (2017 - $375).

General & Administrative Costs	**September 30 2018**	**September 30 2017**	**September 30 2016**
	$	$	$
Accounting & Legal Fees	**62,763**	43,204	17,021
Investor Relations	**19,950**	35,189	25,942
Office, Rent & Telephone	**5,331**	5,389	8,012
Travel	**699**	677	1,596
Consulting Fees	**15,987**	12,699	20,361
	78,750	97,158	72,932

In 2018 general and administration costs were $78,750 (2017 - $97,158), 19% less than the previous year. This was due to reduced investor relations costs related to the share consolidation. Other General and Administrative Costs continue to be reduced to control costs.

In 2018 accretion allocation is $4,794 (2017 $4,794).

Interest income is $3,325 (2017 - $2,862). This is interest primarily earned from funds held by the Province.

For 2018, the Company reported a net loss of $114,750 compared to a loss for 2017 of $175,829. This is a loss of $0.03 per share ($0.05 in 2017).

Summary of Quarterly Results and Results of Operations

Quarterly Results	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Income:								
Misc. revenue								
Interest (expense) income	1,657	234	717	717	718	708	708	728
Total Revenue	1,657	234	717	717	718	708	708	728
Costs:								
Operations and overhead	8,099	9,210	8,293	8,312	26,813	5,949	5,949	4,750
Sales & marketing	29	176	75	140	50	125	125	75
General & admin.	18,260	16,474	32,088	11,928	18,395	32,622	26,229	19,912
Amort./depletion	49	49	50	50	281	-	-	-
Impairment				-	-		-	-
Interest on Demand loans				-	32,622			
Total Costs	26,437	25,909	40,505	20,430	78,161	38,696	32,303	24,737
Loss	(24,780)	(25,675)	(39,788)	(19,713)	(77,443)	(37,988)	(31,595)	(24,009)
Other Items								
Accretion	1,198	1,199	1,198	1,198	1,197	1,199	1,199	1,199
Net loss	(25,978)	(26,874)	(40,986)	(20,911)	(78,640)	(39,187)	(32,794)	(25,208)
Net loss per share (basic & diluted)	(0.01)	(0.01)	(0.01)	(0.00)	(0.02)	(0.01)	(0.01)	(0.01)
Operating Cash	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Net loss	(25,978)	(26,874)	(40,986)	(20,911)	(78,640)	(39,187)	(32,794)	(25,208)
Non-cash operating items	1,246	1,248	1,248	1,249	34,100	1,199	1,199	1,199
Net cash loss from operations	(24,732)	(25,626)	(39,738)	(19,662)	(44,540)	(37,988)	(31,595)	(24,009)

During Q4 2018, there was no income other than interest income of $1,657 (Q4 2017 - $718) earned on reclamation funds. Operations and overhead cost of $8,099 (Q4 2017 - $26,813 is comprised of property leases of $4,000, property tax allocation $1,029, environmental monitoring $2,700 and sampling site visit of $370. In Q4 2017 there was a one-time cost related to updating the NI 43-101 report of $19,677.

In Q4 2018 marketing costs were $29 (Q4 2017 - $50) is related to consultant telephone and web hosting.

General & Administrative Costs	Q4 2018	Q4 2017
	$	$
Accounting & Legal Fees	2,513	5,679
Investor Relations	8,948	8,896
Office, Rent & Telephone	1,127	551
Consulting Fees	5,025	2,850
Bank and Finance fees	647	419
	18,260	18,394

In Q4 2018, General and Administration cost were $18,260 (Q4 2017 - $18,395). Accounting and legal fees were lower due to an annual allocation of annual costs $2,513 (2017 -$5,679)

Amortization costs were $49 (2017 $ 281).

In Q4 2017 only, the company incurred interest costs $32,622 related to the conversion of debt to shares.

In Q4 2018, accretion related to reclamation costs were $1,197 (Q4 2017 - $1,197)

In Q4 2017, the company incurred interest costs related to the conversions of debt to shares.

During the fourth quarter, the Company reported a net loss of $27,977 compared to a net loss of $78,640 in Q4 2017, or $0.01 per share versus $0.02 in Q4 2017. The Company recorded $1,248 ($34,100 in Q4 2017) in non-cash operating items in Q4 2018, resulting in net cash loss from operations of $24,731 compared to a net cash loss from operation of $44,540 in Q4 2017.

Liquidity

As at September 30, 2018, Black Bull had negative working capital of $455,000 (current assets of $334,063 less current liabilities of $789,063). On September 30, 2017 the Company had negative working capital of $340,447.

The estimated cash requirement for the next twelve months is estimated to be $100,000. The Company plans to meet its financial shortfall through raising new funds through convertible debt, and through further reductions through controlling costs. The lender, David Wood (Zenith Appraisal & Land Consulting Ltd.) has indicated a willingness to provide the necessary working capital to the company pending the completion of the Proposed change of business transaction.

Capital Resources

The Company will continue to incur significant operating losses. In response the Company implemented a plan to significantly control; costs. The Company intends to continue with "care and maintenance", which allows the Company to operate into 2019 with minimal operational obligations.

To meet ongoing obligations the company intends to secure non-interest-bearing demand loans, until the Company completes the Proposed Change of Business.

During the year ended September 30, 2018, Zenith Appraisal & Land Consulting Ltd. (the Holder) advanced additional funds under promissory notes in the amount of $108,595. No interest will be payable to the Holder, and payment is due on demand by the Holder, or shall be converted to shares of Black Bull Resources Inc., at a price to be determined

Transactions with Related Parties

Included in accounts payable and demand loans are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company.

Demand Loans		
	Sep 30 2018	Sep 30 2017
David Wood (Zenith Appraisal & Land Consulting Ltd.)	**$351,024**	$242,429
Total	**$351,024**	$242,429

	September 30, 2018	September 30, 2017
Due to directors and senior officers	$775	nil

For the years ended September 30, 2018 and September 30, 2017, the following is a summary of related party expenditures not disclosed elsewhere in the financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officers for the year ended September 30, 2018 and September 30, 2017, respectively.

Year Ending		
Year ending	**Sept 30, 2018**	Sept 30, 2017
CFO	**$15,987**	$12,699

Stock-based compensation expense for the directors and senior officers was $ nil (2017 - $nil) for the year ended September 30, 2018 and 2017, respectively.

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates are based upon management's historical experience and various other assumptions that are believed by management to be reasonable under the circumstances. Such assumptions and estimates are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Management believes the following critical accounting policies affect its more significant estimates and assumptions used in the preparation of its financial statements.

Mineral properties and deferred costs

The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a units-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof.

Property, Plant and Equipment

Property, plant and equipment represent significant assets of the Company. Depreciation and amortization are recorded on either a declining-balance (DB) or straight-line (SL) basis. Management of the Company reviews and evaluates the carrying value of major assets for impairment each reporting period and when events or changes in circumstances indicate that the carrying amounts of the related asset may no longer represent their economic value.

Other estimates

The Company also makes estimates for doubtful accounts, income taxes, stock-based compensation and asset retirement obligations.

Management estimates the collectability of the Company's receivables based on historical experience, age of the receivables, the specific customers' indebted to the Company and general market conditions. Based on these factors, management determines an appropriate amount to be provided as an allowance for doubtful accounts.

In the calculation of income taxes, management will recognize a future income tax asset for all deductible temporary differences, unused tax losses and income tax reductions, and then review the asset to estimate whether a portion or all of it will be realized. The future income tax valuation allowance is estimated so as to be sufficient to reduce the asset to the amount that is more likely than not to be realized.

The Company records compensation expense for stock options using the fair value method. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. To apply this application assumptions are made regarding the following factors; risk free interest rate, stock volatility, expected life and expected dividend yield. Management determines these factors based on current market conditions and other information available on the date of the grant.

The Company also uses estimates in recognizing the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates or timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Other MD&A Disclosures

For the year ending September 30, 2018, no options were granted, and no options expired

Outstanding Securities	**January XX 2019**	**Year Ending September 30, 2018**	**Year Ending September 30, 2017**
Common Shares	3,552,287	3,552,287	3,552,287
Options (Exercisable to one Common Share)	nil	nil	nil
Total Outstanding Securities	3,552,287	3,552,287	3,552,287

Risks and Uncertainties

Mineral exploration and development involves a high degree of risk since few properties are developed into producing mines. There are no assurances that the Company's mineral exploration activities will result in further resources that would be economical for commercial production. The commercial viability of mineral deposits is dependent upon a number of factors beyond the Company's control. Some of these factors are attributable to commodity or product pricing and demand, competitive products, currency fluctuations, government policy and regulation, transportation, and environmental protection.

Resource estimates involve degrees of uncertainty in calculation of reserves and the corresponding grades. Resource estimates are dependent partially on statistical inferences drawn from drilling, sampling, and other data. The indicated and inferred resource figures set forth by the Company are estimates, and there is no certainty that the level of resources will be realized, or the chemical composition or concentration of the resources will be maintained throughout the property. In addition, a decline in the market price of industrial minerals, or a substantial increase in production or shipping costs, may adversely affect the economics of a reserve and may require the Company to reduce its estimates.

Transportation is a critical part of the Company's success. It is imperative that Black Bull provide cost-effective transportation solutions to customers.

Like many Canadian companies many do business in the USA, Black Bull is affected by fluctuations in currency exchange rates. Most of the Company's sales, including freight charges, will be denominated in US dollars. The Company has some natural hedges with US dollar-based expenses; however, there will be instances when there is exposure to exchange risks. These risks are considered when management sets product pricing and makes hedging decisions.

Maintaining sufficient cash resources to finance a start-up operation is difficult. Debt financing is usually based on positive cash flows and a significant customer base. Many junior resource companies experience difficulties obtaining debt financing and must rely on other sources such as market equity, mezzanine financing, and/or government programs.

Black Bull's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on improvement in mineral prices, improvement in sales volumes, and its ability to fund future development programs, and to manage and generate positive cash flows from operations in the future. The Company's financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

The Company has assessed whether the amounts recorded for mineral claims and deferred costs have suffered any impairment by considering resource estimates, future processing capacity, anticipated sales, and the longer-term price estimates for minerals. Management's estimates of these factors are subject to risk and uncertainties, affecting the recoverability of the recorded amounts for mineral claims and deferred costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets.

Subsequent Event

On October 26, 2018, a related party advanced funds under a promissory note in the amount of $15,000. The loans are non-interest bearing due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

In addition, on January 22, 2019, a related party advanced funds under a promissory note in the amount of $18,460. The loans are non-interest bearing, due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

Continencies And Commitments

On September 19, 2017 and amended on May 26, 2018, the Company entered into an asset purchase agreement with a group of investment and business professionals (the "Vendors") to affect an arm's length "Change of Business" transaction (as defined in Policy 5.2 of the TSX Venture Exchange). Under the amended terms of the transaction, the Company will acquire certain shareholdings from the Vendors in exchange for the issuance of 38,000,000 common shares of the Company at a deemed price of $0.05 per common share, as well as the creation and issuance to the Vendors of 1,000,000 preferred series B shares of the Company at a deemed price of $1.00 per preferred share for aggregate deemed consideration of $2,900,000.

The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange. As a condition of closing, the Company and Vendors are required to jointly complete a private placement financing for gross proceeds of not less than $3,000,000. The closing is also subject to a number of other conditions, including but not limited to: requisite regulatory corporate, and third-party approvals, including TSX Venture Exchange approval; all required board approvals by the Company; the receipt of a fairness opinion to the satisfaction of the Board of Directors of the Company; and completion of due diligence investigations to the satisfaction of each of the Company and the Vendors.

In accordance with TSX Venture Exchange policy, sponsorship of a "Change of Business" transaction is required unless exempt therefrom in accordance with the TSX Venture Exchange's policies or a waiver is provided. The Company intends to apply for exemption from the sponsorship requirements pursuant to Section 3.4(a)(ii) of Policy 2.2 of the TSX Venture Exchange. If the exemption is not granted, the Company would be required to engage a sponsor or will seek a waiver from the sponsorship requirement.

Note: The above-noted Option Agreement between Black Bull and InfCom (the "Option Agreement") does not change or otherwise effect the Change of Business Transaction with Black Bull Resources Inc. and Magnetic North Acquisition Corp.

The Option Agreement is subject to review and approval of the TSX Venture Exchange

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website at www.blackbullresources.com.

MANAGEMENT'S DISCUSSION & ANALYSIS

OF FINANCIAL AND OPERATING RESULTS
(In Canadian dollars)

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51-102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Black Bull Resources Inc.'s ("Black Bull" or the "Company") audited financial statements for the year ended September 30, 2017, together with the accompanying notes. Such financial statements have been prepared in accordance with International Financial Reporting Standards.

This MD&A is prepared as of April 27, 2018.

Forward Looking Statements

Certain statements contained in the report constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Black Bull or its management, are intended to identify forward-looking statements. Such statements reflect current views of Black Bull with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in mineral prices, fluctuations in currency exchange rates, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

Proposed Change of Business

On September 21 2017 the Company announced that the Company has signed a definitive agreement dated September 19, 2017 with a group of investment and business professionals to effect an arm's length "Change of Business" (as defined in Policy 5.2 of the TSX Venture Exchange) transaction (the "Transaction") which, subject to regulatory and final closing conditions, will see Black Bull transition from a Resource Issuer to an Investment Issuer within the meaning of such terms in the policies of the TSX Venture Exchange (the “Exchange” or "TSXV"). As the Transaction is an arm's length transaction involving an issuer listed on the NEX, it is anticipated that no shareholder approval will be required. This transaction is ongoing. More information can be found on SEDAR

Overall Performance

The focus for Black Bull in 2017 was to continue to reduce its cash burn, and seek strategic options including completing the previously announced share exchange agreement.

The long-term future of Black Bull is dependent upon maintaining control of its mineral resources until such time as the mineral markets improve. However, there can be no assurances that the steps management is taking will be successful.

Selected Annual Information and Results of Operations

	Year Ended September 31, 2017 $	Year Ended September 31,2016 $	Year Ended September 31,2015 $
Mineral $ Misc. Revenue	Nil	Nil	Nil
Net Income (loss) and Comprehensive Loss	(175,829)	(175,064)	(108,195)
Net Income (loss) per (Basic and Diluted)	(0.05)	(0.06)	-
Total Assets	342,921	327,530	390,525

In 2017, mineral revenue was $nil (2016 - nil). The Company is now in ‘care and maintenance’ therefore there is no mineral revenue. During fiscal 2017, total operating expenses were $173,897 (2016 - $145,890) an increase of 19% over 2016. Operational costs were $43,461 (2016 - $22,282). The operations and overhead costs include, property lease costs of $19,600 (2016 - $14,866), environmental monitoring nil (2016 - $3,220), property taxes $4,183 (2016 - $4,170) and a one-time cost related to an updated NI 43-101 technical report of $19,677 (2016 -nil).

In 2017 amortization was $281 (2016 - $6,366) due the asset being written down in 2017.

In 2017 the company incurred interest costs related to the conversion of debt to shares $32,622.

Sales and marketing costs in 2017 were $375 (2016 - $2,080).

On a comparative basis since 2015 ongoing total costs, excluding one-time costs, have declined 16%; (2017 -$97,088); (2016 - $103,660); (2015 – $112,572). This results from continued cost control

General & Administrative Costs	**September 30 2017**	**September 30 2016**	**September 30 2015**
	$	$	$
Accounting & Legal Fees	43,204	17,021	14,018
Investor Relations	35,189	25,942	26,381
Office, Rent & Telephone	5,389	8,012	10,427
Travel	677	1,596	3,094
Consulting Fees	12,699	20,361	27,227
	97,158	72,932	81,147

In 2017 general and administration costs were $97,158 (2016 - $72,932), $24,226 higher than the previous year. This was due to increased legal costs and investor relations costs related to the share consolidation. Other General and Administrative Costs continue to be reduced to control costs.

In 2016 the company incurred an impairment related to a write down of a fixed asset of $42,230.

In 2017 accretion allocation is $4,794 (2016 $32,074).

Interest income is $2,862 (2016 - $2,900). This is interest primarily earned from funds held by the Province.

For 2017, the Company reported a net loss of $175,829 compared to a loss for 2016 of $175,064. This is a loss of $0.05 per share ($0.06 in 2016).

Summary of Quarterly Results and Results of Operations

Quarterly Results	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Income:								
Misc. revenue								
Interest (expense) income	718	708	708	728	728	704	704	764
Total Revenue	718	708	708	728	728	704	704	764
Costs:								
Operations and overhead	26,813	5,949	5,949	4,750	3,613	5,949	4,750	7,970
Sales & marketing	50	125	125	75	206	151	125	1,598
General & admin.	18,395	32,622	26,229	19,912	24,708	15,365	18,028	14,831
Amort. /depletion	281	-	-	-	1,591	1,591	1,592	1,592
Impairment	-		-	-	42,230	-	-	-
Interest on Demand loans	32,622							
Total Costs	78,161	38,696	32,303	24,737	72,348	23,056	24,495	25,991
Loss	(77,443)	(37,988)	(31,595)	(24,009)	(71,620)	(22,352)	(23,791)	(25,227)
Other Items								
Accretion	1,197	1,199	1,199	1,199	30,875	-	-	1,199
Net loss	(78,640)	(39,187)	(32,794)	(25,208)	(102,495)	(22,352)	(23,791)	(26,426)
Net loss per share (basic & diluted)	0.02	0.01	0.01	0.01	0.03	0.01	0.01	0.01

Operating Cash	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Net loss	(78,640)	(39,187)	(32,794)	(25,208)	(102,495)	(22,352)	(23,791)	(26,426)
Non-cash operating items	34,100	1,199	1,199	1,199	73,497	2,790	1,592	2,791
Net cash loss from operations	(44,540)	(37,988)	(31,595)	(24,009)	(28,998)	(19,562)	(22,199)	(23,635)

During Q4 2017, there was no income other than interest income of $718 (Q4 2016 - $728) earned on reclamation funds. Operations and overhead cost of $26,813 (Q4 2016 - $3,613 is comprised of property leases of $6,039, property tax allocation $1,097 and a one-time cost related to updating the NI 43-101 report of $19,677.

In Q4 2017 marketing costs were $50 (Q4 2016 - $206) is related to consultant telephone and web hosting.

General & Administrative Costs	Q4 2017	Q4 2016
	$	$
Accounting & Legal Fees	5,679	4,989
Investor Relations	8,896	14,678
Office, Rent & Telephone	551	1,266
Consulting Fees	2,850	3,775
Bank and Finance fees	419	-
	18,394	24,708

In Q4 2017, General and Administration cost were $18,395 (Q4 2016 - $24,708). The company continues to reduce costs during the care and maintenance period. Investor relations $8,896 were lower than the same period in the previous year (2016 - $14,678).

Amortization costs were $281 (2016 $ 1,591).

In Q4 2017, the company incurred interest costs $32,622 related to the conversion of debt to shares.

In Q4 2016, the company incurred an impairment related to a write down of a fixed asset $42,230.
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In Q4 2017, accretion related to reclamation costs were $1,197 (Q4 2016 - $30,875)

In Q4 2017, the company incurred interest costs related to the conversions of debt to shares. In Q4 2016 the company incurred an impairment related to a write down of a fixed asset.

During the fourth quarter, the Company reported a net loss of $78,640 compared to a net loss of $102,495 in Q4 2016, or $0.02 per share versus $0.03 in Q4 2016. The Company recorded $34,100 ($73,497 in Q4 2016) in non-cash operating items in Q4 2017, resulting in net cash loss from operations of $44,540 compared to a net cash loss from operation of $28,998 in Q4 2016.

Liquidity

As at September 30, 2017, Black Bull had negative working capital of $340,447 (current assets of $342,259 less current liabilities of $682,706). On September 30, 2016 the Company had negative working capital of $215,202.

The estimated cash requirement for the next twelve months is estimated to be $100,000. The Company plans to meet its financial shortfall through raising new funds through convertible debt, and through further reductions through costs controlling costs. The lender, David Wood (Zenith

Appraisal & Land Consulting Ltd.) has indicated a willingness to provide the necessary working capital to the company pending the completion of the Proposed Change of Business.

Capital Resources

The Company will continue to incur significant operating losses. In response the Company implemented a plan to significantly control; costs. The Company intends to continue with "care and maintenance", which allows the Company to operate into 2018 with minimal operational obligations.

To meet ongoing obligations the company intends to secure non-interest-bearing demand loans, until the Company completes the Proposed Change of Business.

During the year ended September 30, 2017, Zenith Appraisal & Land Consulting Ltd. (the Holder) advanced additional funds under promissory notes in the amount of $97,429. No interest will be payable to the Holder, and payment is due on demand by the Holder, or shall be converted to shares of Black Bull Resources Inc.

Proposed Change of Business

On September 21, 2017, the Company announced it has entered into an asset purchase agreement with a group of investment and business professionals to affect an arm's length "Change of Business" transaction (as defined in Policy 5.2 of the TSX Venture Exchange). The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange.

Transactions with Related Parties

Included in accounts payable and demand loans are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company.

Demand Loans		
	Sep 30 2017	Sep 30 2016
David Wood (Zenith Appraisal & Land Consulting Ltd.)	**$242,429**	$170,000
Total	**$242,429**	$170,000

Included in accounts payable are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company

	Period ending	Period ending
	September 30, 2017	September 30, 2016
Due to directors and senior officers	nil	nil

For the years ended September 30, 2017 and September 30, 2016, the following is a summary of related party expenditures not disclosed elsewhere in the financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officers for the year ended September 30, 2017 and September 30, 2016, respectively.

Period Ending		
Year ending	**Sept 30, 2017**	Sept 30, 2016
Martin MacKinnon CFO	**12,699**	20,361

Stock-based compensation expense for the directors and senior officers was $ nil (2016 - $nil) for the year ended September 30, 2017 and 2016, respectively.

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates are based upon management's historical experience and various other assumptions that are believed by management to be reasonable under the circumstances. Such assumptions and estimates are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Management believes the following critical accounting policies affect its more significant estimates and assumptions used in the preparation of its financial statements.

Mineral properties and deferred costs

The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a units-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof.

Property, Plant and Equipment

Property, plant and equipment represent significant assets of the Company. Depreciation and amortization are recorded on either a declining-balance (DB) or straight-line (SL) basis. Management of the Company reviews and evaluates the carrying value of major assets for impairment each reporting period and when events or changes in circumstances indicate that the carrying amounts of the related asset may no longer represent their economic value.

Other estimates

The Company also makes estimates for doubtful accounts, income taxes, stock-based compensation and asset retirement obligations.

Management estimates the collectability of the Company's receivables based on historical experience, age of the receivables, the specific customers' indebted to the Company and general market conditions. Based on these factors, management determines an appropriate amount to be provided as an allowance for doubtful accounts.

In the calculation of income taxes, management will recognize a future income tax asset for all deductible temporary differences, unused tax losses and income tax reductions, and then review the asset to estimate whether a portion or all of it will be realized. The future income tax valuation allowance is estimated so as to be sufficient to reduce the asset to the amount that is more likely than not to be realized.

The Company records compensation expense for stock options using the fair value method. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. To apply this application assumptions are made regarding the following factors; risk free interest rate, stock volatility, expected life and expected dividend yield. Management determines these factors based on current market conditions and other information available on the date of the grant.

The Company also uses estimates in recognizing the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates or timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Other MD&A Disclosures

For the year ending September 30, 2017, no options were granted, and no options expired (2016 – 27,500 options expired).

Outstanding Securities	**April 27, 2018**	**Year Ending September 30, 2017**	**Year Ending September 30, 2016**
Common Shares	3,552,287	3,552,287	3,028,442
Options (Exercisable to one Common Share)	nil	nil	nil
Total Outstanding Securities	3,552,287	3,552,287	3,028,442

Risks and Uncertainties

Mineral exploration and development involves a high degree of risk since few properties are developed into producing mines. There are no assurances that the Company's mineral exploration activities will result in further resources that would be economical for commercial production. The commercial viability of mineral deposits is dependent upon a number of factors beyond the Company's control. Some of these factors are attributable to commodity or product pricing and demand, competitive products, currency fluctuations, government policy and regulation, transportation, and environmental protection.

Resource estimates involve degrees of uncertainty in calculation of reserves and the corresponding grades. Resource estimates are dependent partially on statistical inferences drawn from drilling, sampling, and other data. The indicated and inferred resource figures set forth by the Company are estimates, and there is no certainty that the level of resources will be realized, or the chemical composition or concentration of the resources will be maintained throughout the property. In addition, a decline in the market price of industrial minerals, or a substantial increase in production or shipping costs, may adversely affect the economics of a reserve and may require the Company to reduce its estimates.

Transportation is a critical part of the Company's success. It is imperative that Black Bull provide cost-effective transportation solutions to customers.

Like many Canadian companies many do business in the USA, Black Bull is affected by fluctuations in currency exchange rates. Most of the Company's sales, including freight charges, will be denominated in US dollars. The Company has some natural hedges with US dollar-based expenses; however, there will be instances when there is exposure to exchange risks. These risks are considered when management sets product pricing and makes hedging decisions.

Maintaining sufficient cash resources to finance a start-up operation is difficult. Debt financing is usually based on positive cash flows and a significant customer base. Many junior resource companies experience difficulties obtaining debt financing and must rely on other sources such as market equity, mezzanine financing, and/or government programs.

Black Bull's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on improvement in mineral prices, improvement in sales volumes, and its ability to fund future development programs, and to manage and generate positive cash flows from operations in the future. The Company's financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

The Company has assessed whether the amounts recorded for mineral claims and deferred costs have suffered any impairment by considering resource estimates, future processing capacity, anticipated sales, and the longer-term price estimates for minerals. Management's estimates of these factors are subject to risk and uncertainties, affecting the recoverability of the recorded amounts for mineral claims and deferred costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets.

Subsequent Event

On January 29, 2018 and March 1, 2018, a related party advanced funds under two promissory notes in the amounts of $32,595 and $25,000 respectively. The loans are non-interest bearing due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website at www.blackbullresources.com.

MANAGEMENT'S DISCUSSION & ANALYSIS

OF FINANCIAL AND OPERATING RESULTS
(In Canadian dollars)

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51-102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Black Bull Resources Inc.'s ("Black Bull" or the "Company") audited financial statements for the year ended September 30, 2016 and audited statement dated September 30, 2015, together with the accompanying notes. Such financial statements have been prepared in accordance with International Financial Reporting Standards. Any information provided prior to October 1, 2010 within the MD&A, has been prepared in accordance with the Canadian Generally Accepted Accounting Principles in place at that time.

This MD&A is prepared as of January 28, 2018.

Forward Looking Statements

Certain statements contained in the report constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Black Bull or its management, are intended to identify forward-looking statements. Such statements reflect current views of Black Bull with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in mineral prices, fluctuations in currency exchange rates, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

Overall Performance

The focus for Black Bull in 2017 was to continue to reduce its cash burn, and seek strategic options including completing the previously announced share exchange agreement.

The long term future of Black Bull is dependent upon maintaining control of its mineral resources until such time as the mineral markets improve. However, there can be no assurances that the steps management is taking will be successful.

Selected Annual Information and Results of Operations

	Year Ended September 31, 2017 $	Year Ended September 31, 2016 $	Year Ended September 31, 2015 $	Year Ended September 31, 2014 $	Year Ended September 31, 2013 $
Mineral $ Misc Revenue	-	-	-		
Net Income (loss) and Comprehensive Loss	(113,977)	(175,064)	(108,195)	(138,012)	(192,450)
Net Income (loss) per Share (Basic and Diluted)	-	-	-	-	
Total Assets	377,810	327,530	390,525	416,000	480,927

In 2017, mineral revenue was $nil (2017 - nil). The Company is now in 'care and maintenance' therefore there is no mineral revenue. During fiscal 2017, total operating expenses were $145,890 (2015 - $112,572) an increase of 30% over 2015. Operational costs were $19,056 (2016 - $22,282). The operation costs include property lease costs of $14,886 (2015 - $14,866), environmental monitoring $3,220 (2015 - $603) property taxes $4,170 (2016 - $4,170) and reclamation obligation accretion $4,794 (2016 - $32,074).

Sales and marketing costs in 2016 were $375 (2016 - $2,080).

General & Administrative Costs	Sept 30 2017	Sept 30 2016	Sept 30 2015	Sept 30 2014	Sept 30 2013
	$	$	$	$	$
Accounting & Legal Fees	44,413	17,021	14,018	23,664	12,697
Insurance	-	-	119	(9,728)	36,396
Investor Relations	29,435	25,942	26,381	19,427	35,545
Office, Rent & Telep hone	5,388	8,012	10,308	12,450	8,149
Travel	677	1,596	3,094	1,600	2,161
Consulting Fees Other	12,699	20,361	27,227	37,562	34,760
Wages & Benefits	-	-	-	2,966	6,590
	92,613	72,932	81,147	87,941	136,298

In 2017 general and administration costs were $72,932 (2016 - $72,932) higher than the previous year as the share consolidation was finalized. This was reflected in increased legal costs and increased investor relations costs .

In 2017 accretion allocation is $4,794 (2015 $32,074).

Interest income is $2,9862 (2016 - $2,900). This is interest primarily earned from funds held by the Province.

For 2016, the Company reported a net loss of $113,978 compared to a loss for 2016 of $175,064. This is a loss of $0.00 per share ($0.00 in 2016).

Summary of Quarterly Results and Results of Operations*

Quarterly Results	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Income:								
Misc revenue								
Interest (expense) income	717	708	708	728	728	704	704	764
Total Revenue	717	708	708	728	728	704	704	764
Costs:								
Operations and overhead	6,004	5,949	5,949	5,949	3,613	5,949	4,750	7,970
Sales & marketing	75	125	100	75	206	151	125	1,598
General & admin.	13,908	32,622	26,229	19,855	24,708	15,365	18,028	14,831
Amort./depletion		-	-	-	1,591	1,591	1,592	1,592
Impairment			-	-	42,230	-	-	-
Total Costs	19,987	38,696	32,278	25,879	72,348	23,056	24,495	25,991
Loss	(19,270)	(37,988)	(31,570)	(25,151)	(71,620)	(22,352)	(23,791)	(25,227)
Other Items								
Revisions to ARO								
Accretion	1,199	1,199	1,199	1,199	30,875	-	-	1,199
Net loss	(20,469)	(39,187)	(32,769)	(23,952)	(102,495)	(22,352)	(23,791)	(26,426)
Net loss per share (basic & diluted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Operating Cash	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Net loss	(20,469)	(39,187)	(32,769)	(25,208)	(102,495)	(22,352)	(23,791)	(26,426)
Non-cash operating items	1,199	1,199	1,199	1,199	73,497	2,790	1,592	2,791
Net cash loss from operations	(19,270)	(37,988)	(31,570)	(24,009)	(28,998)	(19,562)	(22,199)	(23,635)

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During Q4 2016, there was no income other than interest income of $717 (Q4 2016 $728) earned on reclamation funds. Operations and overhead cost of $6,004 (Q4 2016 $3,613 is comprised of property leases of $3,722 wages for site monitoring and, property tax allocation $1,083, offset by and accretion of $1,199.

In Q4 2016 Marketing costs were $75 (Q4 2016 - $206) is related to consultant telephone and web hosting.

General & Administrative Costs	Q4 2017	Q3 2017	Q4 2016
	$	$	$
Accounting & Legal Fees	6,944	25,748	4,989
Investor Relations	3,144	3,465	14,678
Office, Rent & Telephone	551	851	1,266
Consulting Fees	2,850	2,175	3,775
Bank and Finance fees	419	384	-
	13,908	32,623	24,708

In Q4 2017, General and Administration cost were $13,908 (Q4 2016 - $24,708). The company continues to aim to reduce costs during the care and maintenance period. Investor relations were considerable similar to Q3 2017. Other Administrative costs were in line.

Amortization costs were $nil (2016 $ 1,595).

In Q4 2017 other item consist of reclamation accretion of $1,199 (Q4 2016 - $30,875)

During the fourth quarter, the Company reported a net loss of $20,478 compared to a net loss of $102,495 in Q4 2016 or $0.00 per share versus $0.00 in Q4 2016. The Company recorded $1,199 ($73,49 in Q4 2016) in non-cash operating items in Q4 2017, resulting in net cash loss from operations of $19,279 compared to a net cash loss from operation of $28,998 in Q4 2016.

Liquidity

As at September 30, 2016, Black Bull had negative working capital of -$27,973.59 (current assets less current liabilities). On September 30, 2016 the Company had negative working capital of $215,202. This is due to the fact that the equity of the Company increased with the conversion of debt.

The estimated burn rate for the next twelve months is $100,000. The Company plans to meet its financial shortfall through raising new funds through convertible debt, and through further reductions in the cash burn.

The Company will continue to incur significant operating losses. In response the Company implemented a plan to significantly reduce the Company’s cash burn. The Company intends to continue with “care and maintenance”, which allows the Company to operate into 2017 with minimal operational obligations.

To meet ongoing obligations the company intends to secure non-interest bearing demand loans, while the Company pursues the proposed acquisition

Capital Resources

The Company continues to reduce its cash burn through the implementation of reduced operations which will be implemented as part of the approved Reduced Operations Business Plan.

During the year ended September 30, 2017, Zenith Appraisal & Land Consulting Ltd. (the Holder) advanced additional funds under a promissory note in the amount of $20,000. No interest will be payable to the Holder, and payment is due on demand by the Holder, or shall be converted to shares of Black Bull Resources Inc. at $0.15/share following the 30:1 stock consolidation of the existing shares of Black Bull Resources Inc.

The Proposed Acquisition

The Share Exchange Agreement provides that the shareholders of AUS will exchange all of the issued and outstanding shares of AUS to the Company, in exchange for 103,333,333 post consolidated common shares of the Company at a deemed price of $0.15 per common share, for an aggregate deemed purchase price of $15.5 million (Cdn.) the ("Purchase Price"). The Purchase Price has been calculated on the assumption that the assets owned by AUS shall have an audited net tangible asset value of $28,000,000 (Cdn.), including $3,000,000 of working capital, on the closing date. In addition, the Company is proposing to issue purchase warrants, on a post consolidation basis as a Dividend in Specie, to all of its existing shareholders at an exercise price of $0.15 per common share and expiring 36 months from the closing date, subject to TSX-V approval. Based on the total number of post consolidated outstanding common shares of the Company, as determined on a record date to be declared by the board of directors and which will be announced in a subsequent news release, the Dividend in Specie will be distributed on the basis of one warrant for each post consolidated outstanding common share of the Company. It is anticipated that 3,028,442 warrants will be issued.

The closing of the Transaction is subject to a number of conditions, including: (i) TSX-V and shareholder approval, (ii) the Company shall consolidate its existing common shares on a 30 for 1 basis such that immediately prior to closing it will have 3,028,442 common shares outstanding, and (iii) the Company shall change its name to AUS Industrial Minerals Limited.

Upon completion of the Transaction, the Resulting Issuer will have 106,361,775 common shares outstanding, 3,028,442 warrants at an exercise price of $0.15 and expiring 36 months from the date of issue, and 28,333 stock options as of September 30, 2015, having an exercise price of $0.15 and expiring no later than 0.8 years from closing. It is also anticipated that at closing, the resulting issuer will grant additional options to acquire common shares at a price of $0.15 per share to the directors, officers, employees and consultants. Further details will be provided in a subsequent news release.

Pursuant to the Share Exchange Agreement, AUS has advanced a non-refundable deposit in the amount of $50,000 USD in favour of the Company. In addition, the Company has agreed to advance a deposit of $50,000 to AUS via the issuance of 333,333 common shares, post consolidation, of the Company at a deemed issue price $0.15 on the closing date, subject to the prior approval of the TSX-V, which deposit will be applied against the Purchase Price

Since April, 2014 these funds have been, used to fund the legal requirements of the Agreement. To date the Company has dispersed $53,778 in legal fees, with $nil still held in trust.

Transactions with Related Parties

Included in accounts payable and demand loans are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company.

Demand Loans		
	Sep 30 2017	Sep 30 2016
David Wood (Zenith Apprais al & Land Consulting Ltd.)	**20,000**	170,000
Converted to Equity		(170,000)
Total	**20,000**	0

For the years ended September 30, 2017 and September 30, 2016, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officers for the year ended September 30, 2017 and September 30, 2016, respectively.

Period Ending		
Year ending	**Sept 30 2016**	Sept 30 2016
Martin MacKinnon CFO	**12,699**	20,361

Stock-based compensation expense for the directors and senior officers was $ nil (2016 - $nil) for the year ended September 30, 2017 and 2016, respectively.

Critical Accounting Estimates

The preparation of the Company’s financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates are based upon management's historical experience and various other assumptions that are believed by management to be reasonable under the circumstances. Such assumptions and estimates are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Management believes the following critical accounting policies affect its more significant estimates and assumptions used in the preparation of its financial statements.

Mineral properties and deferred costs
The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a units-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof.

Property, Plant and Equipment
Property, plant and equipment represent significant assets of the Company. Depreciation and amortization are recorded on either a declining-balance (DB) or straight-line (SL) basis. Management of the Company reviews and evaluates the carrying value of major assets for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may no longer represent their economic value.

Other estimates

The Company also makes estimates for doubtful accounts, income taxes, stock-based compensation and asset retirement obligations.

Management estimates the collectability of the Company's receivables based on historical experience, age of the receivables, the specific customers' indebted to the Company and general market conditions. Based on these factors, management determines an appropriate amount to be provided as an allowance for doubtful accounts.

In the calculation of income taxes, management will recognize a future income tax asset for all deductible temporary differences, unused tax losses and income tax reductions, and then review the asset to estimate whether a portion or all of it will be realized. The future income tax valuation allowance is estimated so as to be sufficient to reduce the asset to the amount that is more likely than not to be realized.

The Company records compensation expense for stock options using the fair value method. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. To apply this application assumptions are made regarding the following factors; risk free interest rate, stock volatility, expected life and expected dividend yield. Management determines these factors based on current market conditions and other information available on the date of the grant.

The Company also uses estimates in recognizing the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates or timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Other MD&A Disclosures

For the year ending September 30, 2016, no options were granted and 825,000 options expired.

Outstanding Securities	**Year Ending September 30, 2016**	**Period Ending January 30, 2017**
Common Shares	5,036,488	5,036,488
Options	-	-
(Exercisable to one Common Share)		
Total Outstanding Securities	5.036.488	5,036,488

Risks and Uncertainties

Mineral exploration and development involves a high degree of risk since few properties are developed into producing mines. There are no assurances that the Company's mineral exploration activities will result in further resources that would be economical for commercial production. The commercial viability of mineral deposits is dependent upon a number of factors beyond the Company's control. Some of these factors are attributable to commodity or product pricing and demand, competitive products, currency fluctuations, government policy and regulation, transportation, and environmental protection.

Resource estimates involve degrees of uncertainty in calculation of reserves and the corresponding grades. Resource estimates are dependent partially on statistical inferences drawn from drilling, sampling, and other data. The indicated and inferred resource figures set forth by the Company are estimates, and there is no certainty that the level of resources will be realized or the chemical composition or concentration of the resources will be maintained throughout the property. In addition, a decline in the market price of industrial minerals, or a substantial increase in production or shipping costs, may adversely affect the economics of a reserve and may require the Company to reduce its estimates.

Transportation is a critical part of the Company's success. It is imperative that Black Bull provide cost-effective transportation solutions to customers.

Like many Canadian companies many do business in the USA, Black Bull is affected by fluctuations in currency exchange rates. Most of the Company's sales, including freight charges, will be denominated in US dollars. The Company has some natural hedges with US dollar-based expenses; however, there will be instances when there is exposure to exchange risks. These risks are considered when management sets product pricing and makes hedging decisions.

Maintaining sufficient cash resources to finance a start-up operation is difficult. Debt financing is usually based on positive cash flows and a significant customer base. Many junior resource companies experience difficulties obtaining debt financing and must rely on other sources such as market equity, mezzanine financing, and/or government programs.

Black Bull's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on improvement in mineral prices, improvement in sales volumes, and its ability to fund future development programs, and to manage and generate positive cash flows from operations in the future. The Company's financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

The Company has assessed whether the amounts recorded for mineral claims and deferred costs have suffered any impairment by considering resource estimates, future processing capacity, anticipated sales, and the longer term price estimates for minerals. Management's estimates of these factors are subject to risk and uncertainties, affecting the recoverability of the recorded amounts for mineral claims and deferred costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets.

Subsequent Event

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website at www.blackbullresources.com.