
TIDAL ROYALTY CORP.

(formerly Tulloch Resources Ltd.)

Condensed Interim Financial Statements

Three-month period ended October 31, 2017 and 2016

(Unaudited)

Expressed in Canadian dollars

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

TIDAL ROYALTY CORP.
(formerly Tulloch Resources Ltd.)

Condensed Interim Statements of Financial Position
As at October 31, 2017 and 2016
(Expressed in Canadian dollars)
(Unaudited)

	October 31, 2017 \$	July 31, 2017 \$
		<i>(Audited)</i>
Assets		
Current assets		
Cash	22,619	20,265
Sales tax receivable	2,296	858
Prepaid expenses	-	1,211
Total assets	24,915	22,334
Liabilities and Deficiency		
Current liabilities		
Accounts payable and accrued liabilities	111,236	105,225
Due to related parties (Note 4)	35,413	22,766
Loans payable (Note 5)	70,000	30,000
Total current liabilities	216,649	157,991
Deficiency		
Share capital (Note 6)	12,297,109	12,297,109
Contributed surplus	27,464	27,464
Deficit	(12,516,307)	(12,460,230)
Total deficiency	(191,734)	(135,657)
Total liabilities and deficiency	24,915	22,334

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board on December 22, 2017

"Stuart Wooldridge"
Stuart Wooldridge, Director

"Theo van der Linde"
Theo van der Linde, Director

(The accompanying notes are an integral part of these financial statements)

TIDAL RESOURCES CORP.

(formerly Tulloch Resources Ltd.)

Condensed Interim Statements of Comprehensive Loss
For the three-month periods ended October 31, 2017 and 2016
(Expressed in Canadian dollars)
(Unaudited)

	Three months October 31, 2017 \$	Three months October 31, 2016 \$
Expenses		
Consulting fees (Note 4)	28,935	-
General and administration	1,562	913
Professional fees	14,110	-
Transfer agent and filing fees	11,470	-
Net loss and comprehensive loss for the period	(56,077)	(913)
Loss per share, basic and diluted	(0.02)	(0.00)
Weighted average number of common shares outstanding	2,843,636	2,843.646

(The accompanying notes are an integral part of these financial statements)

TIDAL RESOURCES CORP.

(formerly Tulloch Resources Ltd.)

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share capital		Share subscriptions \$	Contributed surplus \$	Deficit \$	Total \$
	Number of Shares	Amount \$				
Balance, July 31, 2016	2,843,636	12,297,109	-	27,464	(12,427,806)	(103,233)
Shares issued for cash	-	-	-	-	-	-
Net loss for the period	-	-	-	-	(913)	(913)
Balance, October 31, 2016	2,843,636	12,297,109	-	27,464	(12,428,719)	(104,146)
Balance, July 31, 2017	2,843,636	12,297,109	-	27,464	(12,460,230)	(135,657)
Net loss for the period	-	-	-	-	(56,077)	(56,077)
Balance, October 31, 2017	2,843,636	12,297,109	-	27,464	(12,516,307)	(191,734)

On July 26, 2017, the Company completed a one-for-three share consolidation. All references to share capital, warrants, options and per share data have been adjusted retrospectively to reflect the Company's one-for-three share consolidations for the periods ended October 31, 2017 and 2016.

(The accompanying notes are an integral part of these financial statements)

TIDAL ROYALTY CORP.
(formerly Tulloch Resources Ltd.)

Interim Condensed Statements of Cash Flows
For the three-month periods ended October 31, 2017 and 2016
(Expressed in Canadian dollars)
(Unaudited)

	October 31, 2017 \$	October 31, 2016 \$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(56,077)	(913)
Changes in non-cash operating working capital:		
Sales tax receivable	(1,438)	(38)
Prepaid expenses	1,211	-
Accounts payable and accrued liabilities	6,011	750
Net cash generated by (used in) operating activities	(50,293)	(162)
Financing activities		
Due to related parties	12,647	-
Loans received	40,000	-
Net cash provided by financing activities	52,647	-
Increase (decrease) in cash	2,354	(162)
Cash, beginning of period	20,265	1585
Cash, end of period	22,619	1,423
Supplemental disclosures:		
Interest paid	-	-
Income tax paid	-	-

(The accompanying notes are an integral part of these financial statements)

TIDAL ROYALTY CORP.
(formerly Tulloch Resources Ltd.)

Notes to the Condensed Interim Financial Statements
For the three-month period ended October 31, 2017 and 2016
(Expressed in Canadian dollars)
(Unaudited)

1. Nature of Operations and Going Concern

Tidal Resources Corp. (formerly Tulloch Resources Ltd.) ("the Company") was incorporated under the laws of British Columbia as Treminco Resources Ltd. on March 12, 1980. The name was changed to Elkhorn Gold Mining Corporation on February 8, 1999 and to Tulloch Resources Ltd. on October 12, 2011 and to Tidal Resources Corp. on July 18, 2017. The Company has historically been engaged in the identification of mineral properties for acquisition and exploration. The Company anticipates making investments involving conventional equity, debt and other forms of investments in private and public companies and anticipates seeking investment opportunities in the US.

The head office, address and records office of the Company are located at Suite 2900 – 595 Burrard Street, P.O. Box 49130, Vancouver, British Columbia, V7X 1J5.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at October 31, 2017, the Company has no source of revenue, generates negative cash flows from operating activities, and has a working capital deficit of \$191,734 and an accumulated deficit of \$12,516,307. These factors give rise to a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to identify projects and negotiate suitable arrangements, maintain support from its significant shareholders and obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from financing from related parties to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Basis of Preparation and Statement of Compliance

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and in accordance with IAS 34 – Interim Financial Reporting. The condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2017. These financial statements have been prepared following the same accounting policies as the Company's audited financial statements for the year ended July 31, 2017.

The financial statements were approved and authorized for issuance by the Board of Directors on December 22, 2017.

Basis of Presentation

The financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

2. Basis of Preparation and Statement of Compliance (continued)

TIDAL ROYALTY CORP.
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Notes to the Condensed Interim Financial Statements
For the three-month period ended October 31, 2017 and 2016
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Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

3. Significant Accounting Policies

Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions about the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the results of operations. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Changes in Accounting Standards Issued

- (i) There were no new or revised accounting standards scheduled for mandatory adoption on August 1, 2016 that affected the Company's financial statements.
- (ii) Accounting Standards Issued but Not Yet Effective:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods with early adoption permitted. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Standards effective for annual periods beginning on or after January 1, 2018:

IFRS 15 *Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 9 *Financial Instruments* – In November 2009, as part of the IASB project the ASB intends to replace IAS 39 - Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flows characteristics. The standard is effective for annual periods beginning on or after January 1, 2018.

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For the three-month period ended October 31, 2017 and 2016
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3. Significant Accounting Policies (continued)

(j) Changes in Accounting Standards Issued (continued)

(ii) Accounting Standards Issued but Not Yet Effective: (continued)

IFRS 2 Share-based Payment - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provides guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

Standard is effective for annual periods beginning on or after January 1, 2019:

IFRS 16 Leases - In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

4. Related Party Transactions and Balances

The Company has identified its directors and certain senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were incurred during the three-month periods ended October 31, 2017 and 2016.

During the period, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors. The short-term key management compensation and director and consulting fees consist of the following for the three-month periods ended October 31, 2017 and 2016:

	October 31, 2017 \$	October 31 2016 \$
Consulting fees to companies owned by common directors and officers	28,935	-
Total	28,935	-

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4. Related Party Transactions and Balances (Continued)

The amounts due to related parties consist of the following as at October 31, 2017 and July 31, 2017:

	October 31, 2017	July 31, 2017
	\$	\$
Due to related parties	35,413	22,766

A loan of \$10,000 is included in the amount of due to related parties above and it is for working capital purposes. The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

5. Loans Payable

As at October 31, 2017, the Company issued loans payable of \$70,000 (July 31, 2017 - \$30,000). The loans are unsecured, non-interest bearing and due on demand.

6. Share Capital

Authorized

Unlimited number of common shares without par value, and unlimited number of preferred shares without par value.

Issued and Outstanding

On June 26, 2017 the Company consolidated its share capital on a one-for-three basis. All share and per share information have been restated to retroactively reflect this consolidation for all periods presented.

During the year ended July 31, 2016, the Company issued 33,333 common shares at \$0.30 per share for gross proceeds of \$10,000. The Company also issued 150,000 common shares at \$0.30 per share for \$45,000 of share subscriptions received during the year ended July 31, 2015.

Stock Options

Under the Company's stock option plan (the "Plan") the Company has adopted a 20% rolling stock option plan ("Plan") to replace its previous 10% rolling plan. The Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees, technical consultants and other participants to the Company, non-transferrable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant. In addition, the number of common shares which may be issuable under the Plan within a one-year period: (i) to any one individual shall not exceed 5% of the issued and outstanding common shares; and (ii) to a consultant or an employee performing investor relations activities, shall not exceed 2% of the issued and outstanding common shares. The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Plan.

6. Share Capital (Continued)

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Stock Options (Continued)

The following table summarizes the continuity of the Company's stock options:

	Options outstanding and exercisable	Weighted average exercise price \$
Balance, July 31, 2016	75,000	0.18
Expired/Cancelled	(75,000)	0.18
Balance, July 31, 2017	-	-
Expired/Cancelled	-	-
Balance, October 31, 2017	-	-

As at October 31, 2017 and July 31, 2017, there were no stock options outstanding and exercisable.

7. Financial Instruments and Risks

(a) Fair Values

The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels. The three levels are defined as follows:

- a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 – Input for assets or liabilities that are not based on observable market data.

Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair measurement. The Company's financial assets measured on a recurring basis at fair value are as follows:

	October 31, 2017			
	Level 1	Level 2	Level 3	Total
Cash	\$ 22,619	\$ -	\$ -	\$ 22,265

	July 31, 2017			
	Level 1	Level 2	Level 3	Total
Cash	\$ 20,265	\$ -	\$ -	\$ 20,265

7. Financial Instruments and Risks (continued)

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(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company's interest rate risk management policy is to purchase highly liquid investments with terms to maturity of three months or less on the date of purchase or redeemable at the option of the Company. The Company does not engage in any hedging activity. The Company does not have significant interest rate risk.

During the years ended July 31, 2017 and 2016, the Company held financial assets and liabilities and incurred expenses denominated primarily in Canadian dollars. The Company does not have significant foreign exchange risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations using cash. The ability to do this relies on the Company raising equity financing in a timely manner. As at October 31, 2017, the Company has a working capital deficiency and requires additional funds from financing to meet its current obligations (see Note 1). The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 9.

The following are contractual maturities of financial liabilities as at October 31, 2017:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years
Accounts payable	\$ 94,236	\$ 94,236	\$ 94,236	\$ -
Due to related parties	\$ 35,413	\$ 35,413	\$ 35,413	\$ -

The following are contractual maturities of financial liabilities as at July 31, 2017:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years
Accounts payable	\$ 97,225	\$ 97,225	\$ 97,225	\$ -
Due to related parties	\$ 22,766	\$ 22,766	\$ 22,766	\$ -

8. Capital Management

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The Company's objectives when managing capital are to identify and pursue business opportunities, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. The Company's principal source of funds is advances from related parties and the issuance of share capital. Management considers all components of shareholders' deficiency and due to related parties as capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares while minimizing dilution for its existing shareholders.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected to match the expected timing of expenditures to continue operations.

The Company's overall strategy with respect to capital risk management remains unchanged from the year ended July 31, 2017. Refer to Note 1 for management's plan to raise capital.

9. Segment Information

The Company currently operates in a single reportable operating segment. All of the Company's assets and expenditures are located in Canada.

10. Subsequent event

The Company is in the process of raising up to \$6,000,000, which might increase, in a non-brokered private placement by issuing up to 120 million units at \$0.05 per unit, with each unit comprising of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.05 per common share expiring two years from closing.