NAVASOTA RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2017

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NOTICE TO READER

The condensed interim statement of financial position of Navasota Resources Inc. as at July 31, 2017, as well as the condensed interim statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the three-month period ended July 31, 2017 and 2016 have been compiled by management.

No audit or review to verify the accuracy or completeness of the information contained in these financial statements has been performed by the Company's auditors. Readers are cautioned that these statements may not be appropriate for their purposes.

December 15, 2017

NAVASOTA RESOURCES INC.

CONDENSED STATEMENTS OF FINANCIAL POSITION

AS AT

(Expressed in Canadian dollars)

	July 31, 2017	April 30, 2017
	$	$
ASSETS		
Current		
Cash	170	170
GST receivable	105	105
	275	275
Non-current		
Exploration and evaluation assets	1	1
	1	1
Total Assets	276	276
LIABILITIES		
CURRENT		
Due to related parties	229,530	229,530
Accounts payable and accrued expenses	197,602	196,177
Loans payable	6,602	6,441
Total Liabilities	433,734	432,148
Deficit		
Share capital	26,227,850	26,227,850
Share-based payments reserves	2,138,409	2,138,409
Deficit accumulated	(16,991,098)	(16,989,512)
Total deficit attributable to the shareholders of parent	11,375,161	11,376,747
Non-controlling interests	(11,808,619)	(11,808,619)
	(433,458)	(431,872)
Total Liabilities and Deficiency	276	276

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

NAVASOTA RESOURCES INC.

CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED JULY 31, 2017 AND 2016

(Expressed in Canadian dollars)

Continued Operations		2017		2016
EXPENSES				
Filing fees	$	1,425	-	-
Interest		161		-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$	(1,586)	$	-
Net loss and comprehensive loss attributable to:				
Shareholders of the parent	$	(1,586)	$	-
Non-controlling interests		-		-
		(1,586)		-
Basic and diluted loss per share	$	(0.00)	$	(0.00)
Weighted average number of common shares		10,330,529		10,330,529

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

NAVASOTA RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

FOR THE THREE MONTHS ENDED JULY 31, 2017 AND 2016

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Share-based Payments Reserves	Deficit Accumulated	Total Deficit Attributable to the Shareholders of Parent	Non-Controlling Interests	Total Deficit
		$	$	$	$	$	$
Balance at May 1, 2017	**10,330,529**	**26,227,850**	**2,138,409**	**(16,989,512)**	**11,376,747**	**(11,808,619)**	**(431,872)**
Total comprehensive loss	-	-	-	(1,586)	-	-	(1,586)
Balance at July 31, 2017	**10,330,529**	**26,227,850**	**2,138,409**	**(16,991,098)**	**11,376,747**	**(11,808,619)**	**(433,458)**
Balance at May 1, 2016	**10,330,529**	**26,227,850**	**2,138,409**	**(16,973,762)**	**11,392,497**	**(11,808,619)**	**(416,122)**
Total comprehensive loss	-	-	-	-	-	-	-
Balance at July 31, 2016	**10,330,529**	**26,227,850**	**2,138,409**	**(16,973,762)**	**11,392,497**	**(11,808,619)**	**(416,122)**

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

NAVASOTA RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOW

FOR THE THREE MONTHS ENDED JULY 31, 2017 AND 2016

(Expressed in Canadian dollars)

	2017	2016
	$	$
OPERATING ACTIVITIES		
Loss before income taxes	(1,586)	-
Adjustments for non-cash items:		
Depreciation	-	-
Loss on disposal of equipment	-	-
Interest accrued	161	-
Movement in working capital:		
Decrease in GST receivable and prepaid expenses	-	-
Increase in accounts payable and accrued expenses	1,425	-
Cash used for operating activities	-	-
FINANCING ACTIVITY		
Increase in due to related parties	- -	-
Cash provided by financing activity	-	-
Net change in cash during the period	-	-
Cash, beginning of the period	170	170
Cash, end of the period	170	170

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

1. CORPORATION INFORMATION

Navasota Resources Inc. (the "Company") was incorporated pursuant to the Business Corporations Act (British Columbia) on March 7, 1980. Effective July 12, 2013, in connection with a share consolidation, the Company has changed its name from Anglo Aluminum Corp. to Navasota Resources Inc. The Company's principal place of business is located at 349 Beach Avenue, Kelowna, British Columbia, V1Y 5R7. Its registered office is located at 6 Adeliade Street East, Unit 310 Toronto Ontario, M5C 1H6, Canada. The common shares of the Company were listed for trading on the TSX Venture Exchange (the "Exchange"), and its common shares traded under the symbol "Nav-V." The Company's principal business activity is searching business opportunities in the mining industry.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These interim financial statements, have been prepared in accordance with IAS 34 Interim Financial Reporting and follow the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year end April 30, 2017. Which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The consolidated financial statements were authorized for issue by the Board of Directors on December 15, 2017.

2.2 Basis of Measurement

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 16.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4.

2. BASIS OF PREPARATION *(Continued)*

2.2 Basis of Measurement *(Continued)*

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. The financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments, which are stated at their fair values.

2.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed or has right to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes or more of the three elements of control listed above.

These consolidated financial statements include the accounts of the Company for its 51% interest in Société AMIG Navasota Mining International S.A.R.L. ("AMIG"), and its 67% interest in Africa Bauxite Corporation ("ABC"). All inter-company transactions and balances have been eliminated on consolidation.

The non-controlling interests of AMIG and ABC are reported in the statement of consolidated financial statements within deficit, separately from the deficit attributable to the Shareholders of Parent. The Company also attributes the net loss and comprehensive loss for the year to the non-controlling interests. The proportion allocated to the shareholders of the parent and non-controlling interests are determined based on present ownership interests.

2.4 Going Concern of Operations

The Company has incurred losses in the current and prior years. For the period ended July 31, 2017, the Company incurred a comprehensive loss of $Nil (2016 - $Nil), and has an accumulated deficit of $28,798,131 (2016 - $28,782,381) and the Company's current liabilities exceeded its current assets by $431,873 (2016 -$431,873). Although the Company has been successful in securing additional financing in the past, the current market conditions raise material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's mineral property was completely impaired during the year ended April 30, 2013 (Note 5) and the Company is currently looking for new business opportunities in the mining industry. As result, the Company has not yet commenced revenue-producing operations.

2. BASIS OF PREPARATION *(Continued)*

2.4 Going Concern of Operations *(Continued)*

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and will require and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material. The Company intends to finance its operations costs over the next 12 months through the issuance of further equity instruments after the completion of the relisting of the Company. The Company was cease traded by the British Columbia Securities Commission (BCSC) in 2015 due to the delay in the issuance of the audited consolidated financial statements for the year ended April 30, 2015 and the subsequent years. The Company is expecting to comply with all the BCSC's requirements and get relisted in a period of around three months after the issuance of these audit financial statements.

These audited consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, no adjustments to the carrying values of the assets and liabilities have been made in these audited consolidated financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis which may differ materially from the going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these audited consolidated financial statements unless otherwise noted.

3.1 Exploration and Evaluation Expenditures

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.1 Exploration and Evaluation Expenditures *(Continued)*

evaluation activities are capitalized to exploration, and classified as a component of mineral properties. Such expenditures include, but are not limited to, exploration license, expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to a property, and directly attributable to general and administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to “mines under construction”. No amortization is taken during the exploration and evaluation phase.

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset. The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. To date the Company does not have any decommissioning liabilities.

I**mpairment of long-lived assets**

Assets that have an indefinite useful life are tested annually for impairment. At the end of each reporting period, the Company reviews the carrying amounts of its assets that are subject to

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.1 Exploration and Evaluation Expenditures *(Continued)*

Impairment of long-lived assets *(Continued)*

amortization to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3.2 Property and Equipment

Property and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof. Recognition of costs in the carrying amount of an item of property and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Upon the transfer of exploration and evaluation assets to property and equipment under mining assets under construction, all subsequent expenditures on the construction, installation or completion of equipment and infrastructure facilities are capitalized within mining assets under

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.2 Property and Equipment *(Continued)*

construction. When development stage is completed, all assets included in the mining assets under construction category are then transferred to mining assets.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation is recognized on a declining balance basis to write down the cost to its estimated residual value. Using this method, the book value at the beginning of each period is multiplied by a fixed depreciation rate which is double the straight-line depreciation rate. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The periods generally applicable are as follows:

	Useful life
Property and equipment	
Equipment	20%, declining balance
Computer and software	30%, declining balance
Exploration equipment	
Vehicle	30%, declining balance

The depreciation expense for each period is recognized in profit or loss except for certain items of property and equipment related to exploration and evaluation activities where the depreciation expense is included in the carrying amount of an exploration and evaluation asset when it relates to a specific exploration and evaluation project. Depreciation of an asset ceases when it is classified as held for sale (or included in a disposal group that is classified as held for sale) or when it is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The residual value, depreciation method and the useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognized.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or have been transferred and the Company has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.3 Financial Instruments

At initial recognition, the Company classifies its financial instruments in the following categories:

Financial assets at fair value through profit or loss:

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially at cost, and subsequently at fair value. Transaction costs are expensed in the consolidated statement of loss. Gains and losses arising from changes in fair value are presented in the consolidated statement of loss in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current, except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term. Interest rate swaps and warrants are classified as current.

As at April 30, 2017 and 2016, the Company had no financial instruments under this classification.

Available-for-sale investments:

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized initially at fair value plus transaction costs, and are subsequently carried at fair value. Gains or losses arising from re-measurement are recognized in the other comprehensive income, except for exchange gains and losses on the translation of equity securities, which are recognized in the consolidated statement of loss. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from the accumulated other comprehensive income to the consolidated statements of Loss, and are included in “gains (losses) on sale of debt and equity security (net)”. Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or management expects to dispose of it within twelve months.

Interest on available-for-sale debt instruments, calculated using the effective interest method, is recognized in the statement of operations as part of the interest income. Dividends on available-for-sale equity instruments are recognized in the consolidated statement of loss as dividend income, when the Company’s right to receive payment is established.

As at April 30, 2017 and 2016, the Company had no financial instruments under this classification.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.3 Financial Instruments *(Continued)*

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise cash, GST receivable and prepaid expenses. Loan and receivable are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

Financial liabilities at amortized cost:

Financial liabilities at amortized include due to related parties, accounts payable and accrued expenses and loan payable. Payable costs are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, payables are measured at amortized cost using the effective interest method. Loan payable and due to related parties are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of financial assets:

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.3 Financial Instruments *(Continued)*

Fair value hierarchy:

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Inputs for assets or liabilities that are not based on observable market data.

The carrying value of the cash, GST receivable, due to related parties, accounts payable and accrued expenses and loan payable approximate their fair value.

3.4 Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.4 Income Taxes *(Continued)*

Income Taxes Related to Flow-through Placements

According to the provisions of tax legislation relating to flow-through shares, the Company has to transfer its right to tax deductions for expenses related to exploration activities to the benefit of the investors. When the Company has fulfilled its obligation to transfer its right, which happens when the Company has incurred eligible expenditures and has renounced its right to tax deductions, a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset and its tax basis.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under look-back Rule, in accordance with government of Canada flow-through regulations. When applicable, this tax is accrued as a finance expense until paid.

3.5 Equity

Share capital represents the amount received on the issue of shares. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as stock options and warrants.

Unit placements

The fair value of the issued shares is determined according to the quoted price of existing shares at the time of issuance and the fair value of the warrants are determined using the Black-Scholes valuation model. The proceeds are then pro-rated according to the fair values previously determined.

Comprehensive income (loss)

Comprehensive income (loss) includes all changes in equity of the Company, except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is the total of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that, in accordance with IFRS, require recognition, but are excluded from net income (loss). The Company does not have any items giving rise to other comprehensive income, nor is there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in net income for the period. Net loss for the period is equivalent to comprehensive loss for the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.6 Equity-settled Share-based Payments

The Company operates equity-settled share-based payment plans for its eligible directors and consultants. None of the Company's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except option units issued to brokers) are ultimately recognized as an expense in the profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity.

Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to stock options and or warrants respectively, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs, as well as the related compensation cost previously recorded as contributed surplus, are credited to share capital.

3.7 Earnings / Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.7 Earnings / Loss Per Share *(Continued)*

outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

3.8 Segmental Reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the Chairman and the Board of Directors. The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

3.9 Changes in Accounting Standards

The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but is not yet effective.

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB on July 24, 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released on July 24, 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard and amendments on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"): In May 2014, the IASB and the Financial Accounting Standards Board ("FASB") completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and US GAAP. As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after January 1, 2018. The Company currently does not have any revenue however, prior to commencement of commercial production, the Company will assess the impact of IFRS 15.

IFRS 16, Leases (“IFRS 16”) In January 2016, the IASB issued IFRS 16: - Leases which replaces IAS 17 - Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.9 Changes in Accounting Standards *(Continued)*

introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company currently has no leases.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration ("IFRIC 22"): On December 8, 2016, the IASB issued IFRIC 22, which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The Standard provides guidance on how to determine the date of the transaction for the purpose of determining the spot exchange rate used to translate the asset, expense or income on initial recognition that relates to, and is recognized on the de-recognition of, a non-monetary.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

a) Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

(i) Recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely,

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

a) Critical Accounting Estimates *(Continued)*

the amount capitalized is written off in the statement of comprehensive income in the year the new information becomes available.

(ii) Income taxes
The Company has not recognized a deferred tax asset as management believe it is not probable that taxable profit will be available against which a deductible temporary difference can be utilized.

(iii) Share-based payments
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them.

b) Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(i) Title to exploration and evaluation assets
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

5. EXPLORATION AND EVALUATION ASSETS

a) Koba/Koumbia

During the year ended April 30, 2007, the Company entered into an option agreement (the “Option Agreement”) with AMIG and its shareholders to earn and acquire up to 100% of the issued share capital of AMIG. AMIG is a Guinean corporation and its shareholders are residents of Conakry, Guinea, West Africa.

AMIG is the legal and recorded holder of one mineral exploration permit for two mining research licenses granted by the Ministry of Mines and Geology of the Republic of Guinea on May 10, 2006. The permit covers two contiguous areas aggregating 1,064 km^2, located in the prefectures of the Telemele (koba) and Gaoual (Koumbia) (the Project), for the exploration of bauxite. The permit was initially valid for three years and has since, in accordance with article 30 of the new mining

5. EXPLORATION AND EVALUATION ASSETS *(Continued)*

a) Koba/Koumbia *(Continued)*

code of the Republic of Guinea, been renewed with the permitted area being reduced by approximately 50%, resulting in a new permit comprising two licenses covering 536 km^2.

Under the terms of the Option Agreement, the Company was granted an option to acquire an initial 45% of the issued share capital of AMIG by incurring a minimum aggregate US$2,000,000 in exploration expenditures on the Project (incurred) and by paying US$350,000 (paid) to the AMIG shareholders, within a period of three years.

During the year ended April 30, 2009, the Company exercised such option and acquired 45% of the issued share capital of AMIG. The AMIG agreement was subsequently amended on December 1, 2009 pursuant to which the Company was granted an option to acquire an additional 6% of the issued share capital of AMIG by paying US$350,000 (paid). The Company has exercised such option and is the registered holder of 51% of the issued share capital of AMIG.

Additionally, the Company may elect to acquire all remaining 49% of the issued shares of AMIG by incurring all exploration and development expenditures necessary to complete and deliver to AMIG a bankable feasibility study in respect of the project paying US$15,000,000 (US$150,000 deposit paid) and issuing 1,500,000 of its common shares to the third party shareholders of AMIG.

The Company entered into a Memorandum of Understanding with the Ministry of Mines, Energy and Hydraulic of the Republic of Guinea (the “Ministry”) allowing for the sale of the Koba/Koumbia Project to a third party. The Company will work with the Ministry to identify acceptable potential purchasers for its bauxite resources and will endeavor to complete a sale that is acceptable to both parties in a timely manner. The Ministry shall provide all requisite approvals for any potential sale and, in consideration for such approval, the Company will pay 50% of the net sale proceeds to the Ministry. Any disposition of the Project shall be subject to acceptance of the Exchange and, if required, approval of the Company’s shareholders. As at and subsequent to April 30, 2016, the Company is not in negotiations with any potential purchases of the Koba/Koumbia Project.

During the year ended April 30, 2013, the Company’s management reviewed the Koba/Koumbia Project and determined to recognize an impairment to a nominal value of $1 of its exploration and evaluation assets relating to this property interest due to the expiration of the exploration permit on December 26, 2013, and the resulting uncertainty of the Company being able to realize the carrying value of the asset. On October 30, 2013 the Ministry granted an eight month extension to the Company for the Koba/Koumbia permit to June 30, 2014. The Company was not able to find a purchaser of the property within the allotted time frame. During the year ended April 30, 2015, the Company incurred $86,453 expenses related to consulting fees in connection with the application for the extension of permit application for the project. The Company recognized these expenditures as exploration costs in the Consolidated Statement for the year

5. EXPLORATION AND EVALUATION ASSETS *(Continued)*

a) Koba/Koumbia *(Continued)*

ended April 30, 2015. There was no further activity for this project during the year ended April 30, 2016.

On August 27, 2014, the Company received a letter from the Republic of Guinea's Minister of Mines and Geology stating that the permit will not be prolonged beyond a period of 4 months from the date of the letter and that the end of this period the Company was required to submit a feasibility study. The Company did not proceed further to this regard as a result the project is considered closed. The nominal value of $1 is kept as a current carrying value of the property was written down to $Nil in the Consolidated Statement of Loss for the year ended April 30, 2015.

b) Mamou-Dalaba

SGFB holds the Mamou-Dalaba bauxite property interest in Guinea, West Africa. The exploration and evaluation asset consists of one exploration permit comprising three research licenses covering 934 km^2 in south-western Guinea. The renewed permit was in good standing until December 23, 2014. During the years ended April 30, 2013 and 2014, the Company's management reviewed the Mamou-Dalaba bauxite property interest and determined to recognize an impairment to a nominal value of $1 of its exploration and evaluation assets relating to this exploration permit due to certain economic uncertainties relating to this asset.

6. PROPERTY AND EQUIPMENT

The Company does not own any property and equipment as at July 31, 2017 and 2016.

(Expressed in Canadian dollars)

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of:

	July 31, 2017	April 30, 2017
	$	$
Trade payables	145,420	145,420
Accrued expenses	50,757	50,757
	196,177	**196,177**

8. LOAN PAYABLE

Loan payable consists of the following:

	July 31, 2017	April 30, 2017
	$	$
Principal	5,000	5,000
Interest accrued	1,602	1,441
	6,602	**6,441**

During the year ended April 30, 2015, the Company received loans of $5,000 from an unrelated third party. The loan bears interest of 10% per annum unsecured and have no specific terms for repayment.

9. RELATED PARTY TRANSACTIONS

Related parties or transactions with related parties are assessed in accordance with IAS 24 “Related Party Disclosures”. Related parties may enter into transactions which unrelated parties might not.

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS *(Continued)*

Transactions between related parties are generally affected on the same terms, conditions and amounts as transactions between unrelated parties.

When considering each possible related party, not only their legal status is taken into account, but also the substance of the relationship between these parties.

Included in the Loss and Comprehensive Loss for the three-month periods ended July 31, 2017 and 2016, are the following amounts, which arose due to transactions with related parties:

	July 31, 2017	July 31, 2016
	$	$
Management fee	-	-
	-	**-**

The Company had the following outstanding as at July 31, 2017 and April 30, 2017 with related parties:

	July 31, 2017	April 30, 2017
	$	$
Due to related parties	229,530	229,530
	229,530	**229,530**

Due to related parties include loans and services received and unpaid from the directors of the Company (the “Directors”) and companies controlled by the Directors (the “Related Party Lenders”). Due to related parties are non-interest bearing, unsecured and have no specific terms for repayment. During the year ended April 30, 2016, the Company settled the loan from related party for $5,000 in exchange of its office equipment (Note 6).

Management fees consist of fees paid to a company controlled by the CEO of the Company.

10. EQUITY

10.1 Share Capital

Authorized:

Unlimited number of common shares without par value, voting, participating, dividend as declared by the Board of Directors.

Issued:

(i) At April 30, 2017, the Company had 10,330,529 common shares outstanding (2016 - 10,330,529).

(Expressed in Canadian dollars)

10. EQUITY *(Continued)*

10.1 Share Capital *(Continued)*

Issued: ***(Continued)***

(ii) On September 9, 2013 the Company closed a non-brokered private placement of 1,600,000 units at a price of $0.05 per unit, for proceeds totaling $80,000. Each unit was comprised of one common share and on non-transferable share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at an exercise price of $0.10 per share until September 9, 2015, subject to accelerated expiry in certain circumstances**.**

10.2 Share Options

The Company has a share option plan whereby a rolling maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of share options. The term of the share options granted are fixed by the board of directors, and are not to exceed five years. The exercise prices of the share options are determined by the board of directors, but shall not be less than the closing price of Company's common shares on the day preceding the day on which the directors grant the share options, less any discount permitted by the Exchange, but shall not be less than $0.05 per share. The share options vest immediately on the date of grant unless otherwise required by the Exchange, however, a four month hold period applies to all shares issued under each share option, commencing on the date issued shares may be granted to any one individual in any 12 month period; without the prior consent of the Exchange, no more than 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period; disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the holder is an insider, (ii) any grant of share options to insiders, within a 12 month period, exceeding 5% of the Company's issued shares; and share options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares. Options granted shall expire within 90 days (30 days if the optionee is engaged in investor relations activities) after the optionee ceases to be director, officer, consultant, or employee of the Company.

A continuity schedule of the Company's outstanding share options for the three-month periods ended July 31, 2017 and 2016 is as follows:

	July 31, 2017		**July 31, 2016**	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
		$		**$**
Outstanding at beginning of period	350,000	0.04	65,000	0.04
Expired	-	-	-	-
Outstanding at end of period	**350,000**	**0.04**	**650,000**	**0.04**

(Expressed in Canadian dollars)

10. EQUITY *(Continued)*

10.2 Share Options *(Continued)*

As at July 31, 2017 and April 30, 2017, the Company had share options outstanding and exercisable to acquire common shares of the Company as follows:

	July 31, 2017 Outstanding Options			April 30, 2017 Outstanding Options		
	Number of Options	**Weighted Average Exercise Price**	**Remaining life (years)**	**Number of Options**	**Weighted Average Exercise Price**	**Remaining life (years)**
		$			$	
September 9, 2018	350,000	0.04	1.13	350,000	0.04	1.36
	350,000	**0.04**	**1.13**	**350,000**	**0.04**	**1.36**

10.3 Warrants

A continuity schedule of outstanding common share purchase warrants for the three-month period ended July 31, 2017 and 2016 is as follows:

	July 31, 2017		July 31, 2016	
	Number of Warrants	**Weighted Average Exercise Price**	**Number of Warrants**	**Weighted Average Exercise Price**
		$		$
Outstanding at beginning of period	-	-	1,600,000	0.10
Expired	-	-	-	-
Outstanding at end of period	**-**	**-**	**-**	**-**

(Expressed in Canadian dollars)

10. EQUITY *(Continued)*

10.3 Warrants *(Continued)*

As at July 31, 2017 and 2016, the Company had no outstanding share purchase warrants.

11. NON-CONTROLLING INTERESTS

Non-controlling interests consist of:

	July 31, 2017	April 30, 2017
	$	$
Balance as at beginning of the period	**11,808,619**	**11,808,619**
Share of loss for the period	-	-
	11,808,619	**11,808,619**

12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, dilutive potential ordinary shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Note 10.

Both the basic and diluted loss per share have been calculated using the net loss as the numerator, i.e. no adjustment to the net loss was necessary in 2017 and 2016.

(Expressed in Canadian dollars)

12. LOSS PER SHARE *(Continued)*

	2017	2016
	$	$
Net loss	-	-
Weighted average number of common shares	10,330,529	10,330,529
Basic and diluted loss per share	0.00	0.00

13. INCOME TAXES

The effective income tax rate of the Company differs from the combined federal and provincial income tax rate in Canada. This difference results from the following items:

Deferred Income Taxes

	2017	2016
	$	$
Loss before income taxes	-	-
Tax expense at combined statutory rate of 26%	-	-
Unrecognized benefit of deferred income tax assets	-	-
Income tax expense (recovery)	-	-

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered.

As at July 31, 2017, the Company has non-capital tax losses which are available to reduce income taxes in future years and for which no deferred tax asset has been recorded in the statement of financial position. These losses expire as follows:

(Expressed in Canadian dollars)

13. INCOME TAXES *(Continued)*

Deferred Income Taxes *(Continued)*

	$
2037	15,750
2036	45,613
2035	80,049
2034	212,867
2033	385,786
2032	614,663
2031	701,129
2030	641,138
2029	462,069
2028	380,177
2027	338,420
2026	354,030
	4,231,691

15. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

– to ensure the Company's ability to continue as a going concern;
– to increase the value of the assets of the business; and
– to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity. Capital for the reporting periods under review is summarized in Note 10 and in the statement of changes in equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares, or sell assets to reduce debt.

15. CAPITAL MANAGEMENT POLICIES AND PROCEDURES *(Continued)*

No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

16. RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company‘s objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company‘s exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company‘s risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company‘s finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company’s competitiveness and flexibility. Further details regarding these policies are set out below.

16.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk and equity price risk.

Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company’s operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

16. RISK MANAGEMENT *(Continued)*

Interest Rate Risk:
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have significant exposure to interest rate fluctuation.

Equity Price Risk:
Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its equity holdings.

16.2 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company does not have significant exposure to credit risk.

16.3 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of accounts payable and accrued liabilities. Due to related parties has no specific term of repayment.

17. SUBSEQUENT EVENTS

No events or transactions have occurred since the balance sheet date, which could have a material effect upon the financial statements at that date, or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position, or result of operations at the balance sheet date.