La Jolla Capital Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the nine months ended March 31, 2017

(in Canadian dollars)

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Notice of No Auditor Review

The accompanying unaudited condensed interim consolidated financial statements have been prepared by Management and have not been subject to a review by the Company's external independent auditors.

La Jolla Capital Inc.
Condensed Interim Consolidated Statements of Financial Position
(in Canadian dollars)
(Unaudited)

	Notes		At March 31, 2017		At June 30, 2016
ASSETS					
Current					
Cash		**$**	**690**	$	15,101
Receivables			**1,873**		5,233
Total assets		**$**	**2,563**	$	20,334
LIABILITIES AND CAPITAL DEFICIT					
Current					
Accounts payable and accrued liabilities		**$**	**487,093**	$	407,393
Loans payable	4		**84,709**		82,734
			571,802		490,127
CAPITAL DEFICIT					
Share capital	5		**22,240,685**		22,240,685
Deficit			**(22,710,521)**		(22,612,876)
Accumulated other comprehensive loss			**(99,403)**		(97,602)
			(569,239)		(469,793)
		$	**2,563**	$	20,334

Nature of Operations (Note 1)

Approved on behalf of the Board of Directors:

"Eugene Beukman"
Director

"Amal Thindal"
Director

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

La Jolla Capital Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss
For the three and nine months ended March 31, 2017 and 2016
(in Canadian dollars)
(Unaudited)

	Notes	Three months ended March 31, 2017	Three months ended March 31, 2016	Nine months ended March 31, 2017	Nine months ended March 31, 2016
Expenses					
Investor relations, agents and fees		$ -	$ 998	$ 6,619	$ 15,665
Consulting, management and director fees	9	24,000	21,000	72,000	93,500
Office, premise and other		371	20	2,658	3,523
Professional fees	9	9,000	6,000	29,120	36,723
Loss before other items		(33,371)	(28,018)	(110,397)	(149,414)
Other income					
Gain on settlement of debt and lawsuit		-	-	12,752	-
		-	-	12,752	-
Net loss for the period		(33,371)	(28,018)	(97,645)	(149,414)
Other comprehensive loss					
Foreign currency translation adjustment		699	5,198	(1,801)	(2,879)
Total comprehensive loss		$ (32,672)	$ (22,820)	$ (99,446)	$ (152,293)
Loss per share, basic and diluted		$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding, basic and diluted		5,983,324	5,983,324	5,983,324	5,922,180

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

La Jolla Capital Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended March 31, 2017 and 2016
(in Canadian dollars)
(Unaudited)

	Notes	Nine months ended March 31, 2017	Nine months ended March 31, 2016
Cash provided by (used in):			
Operating Activities			
Net loss for the period		$ **(97,645)**	$ (149,414)
Items not involving cash:			
Unrealized foreign exchange		**(1,801)**	(2,879)
		(99,446)	(152,293)
Change in non-cash working capital:			
Receivables		**3,360**	-
Accounts payable and accrued liabilities		**79,700**	97,583
		(16,386)	(54,710)
Financing Activities			
Loan proceeds		**3,975**	82,734
Repayment of loans		**(2,000)**	-
		1,975	82,734
Increase (decrease) in cash		**(14,411)**	28,024
Cash, beginning of the period		**15,101**	129
Cash, end of the period		$ **690**	$ 28,153

Supplemental cash flow information (Note 8)

La Jolla Capital Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the nine months ended March 31, 2017 and 2016
(in Canadian dollars)
(Unaudited)

	Notes	Shares		Amount		Deficit		Cumulative other comprehensive income		Total
Balance, July 1, 2015		3,589,990	$	22,190,685	$	(25,489,127)	$	(94,496)	$	(3,392,938)
Shares issued for Goldsmith Property	5b	2,393,334		50,000		-		-		50,000
Loss for the period		-		-		(149,414)		-		(149,414)
Other comprehensive loss		-		-		-		(2,879)		(2,879)
Balance, March 31, 2016		5,983,324	$	22,240,685	$	(25,638,541)	$	(97,375)	$	(3,495,231)
Balance, July 1, 2016		5,983,324	$	22,240,685	$	(22,612,876)	$	(97,602)	$	(469,793)
Loss for the period		-		-		(97,645)		-		(97,645)
Other comprehensive loss		-		-		-		(1,801)		(1,801)
Balance, March 31, 2017		5,983,324	$	22,240,685	$	(22,710,521)	$	(99,403)	$	(569,239)

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

1. NATURE OF OPERATIONS

La Jolla Capital Inc., (formerly MicroCoal Technologies Inc.) (the "Company") was incorporated on April 6, 1990 under the laws of the Province of British Columbia and on June 19, 1997 the Company continued as a federal corporation under the Canada Business Corporation Act. On May 21, 2015, MicroCoal Technologies Inc. ("MicroCoal" or "MTI") completed a Plan of Arrangement (the "Plan of Arrangement" or "Arrangement") with a newly formed company called Targeted Microwave Solutions Inc. ("TMS") pursuant to the British Columbia Business Corporations Act. Under terms of the Arrangement, every MicroCoal shareholder received one share in the Company for every share held in MicroCoal at the effective date. The Company's registered office is located at 1128-789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Company changed its name from MicroCoal Technologies Inc. to La Jolla Capital Inc. on May 21, 2015.

The Company`s principal business activity is the exploration and development of mineral properties.

The Company is a reporting issuer in the provinces of Alberta, British Columbia and Ontario. The Company currently intends to apply to list its common shares on the Canadian Securities Exchange ("CSE") once it has met the original listing criteria of the CSE.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2016.

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended June 30, 2016. The Company's interim results are not necessarily indicative of its results for a full year.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 26, 2017.

(b) Going Concern of Operations

he Company incurred a loss of $97,645 for the nine months then ended March 31, 2017 (2016 - $149,414), had a working capital deficit of $569,239 and has accumulated losses of $22,710,521 since its inception. The Company expects to incur further losses in the development of its new business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These circumstances indicate the existence of material uncertainty related to events and conditions that may cast significant doubt about the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. These financial statements do not give effect to any adjustments required to realize it assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. BASIS OF PREPARATION (continued)

(c) Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis, except for those assets and liabilities that are measured at fair value at the end of each reporting period. Certain comparative amounts have been re-presented to conform to the current year presentation.

In preparing the Company's unaudited condensed interim consolidated financial statements for the nine months ended March 31, 2017, the Company applied the estimates regarding tax as disclosed in its audited consolidated financial statements for the year ended June 30, 2016.

(d) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. All intercompany transactions and balances between the Company and its subsidiaries are eliminated.

3. GOLDSMITH PROPERTY ACQUISITION

On July 8, 2015, the Company purchased the Goldsmith Property, a gold exploration property located near Kaslo, British Columbia. The Company acquired the vendor's right, title and interest in the Goldsmith Property for a total of 2,393,334 common shares (Note 5).

The Company's interest in the Goldsmith Property was subject to an underlying option agreement pursuant to which the Company would be required to make the following payments to maintain its interest: (i) $35,000 on or before April 30, 2016 (extended for 6 months, not paid); (ii) $75,000 on or before April 30, 2017; (iii) $110,000 on or before April 30, 2018; and (iv) $1,000,000 upon any commencement of commercial production. In addition, the Goldsmith Property was subject to a 3.0% net smelter returns royalty in favour of a prior claimholder, 50% of which may be repurchased for $1,500,000.

During the year ended June 30, 2016, the option agreement was terminated; subsequently, the Company recorded a provision for write-down of $50,000 related to the Goldsmith Property.

4. LOANS PAYABLE

As at March 31, 2017, the Company had loans payable of $84,709 to unrelated parties. The loans are unsecured, non-interest bearing and are due on demand.

5. SHARE CAPITAL

(a) Authorized: Unlimited number of common shares, voting

(b) Issued and Outstanding

Share Consolidation

On May 21, 2015, pursuant to the Plan of Arrangement, the Company consolidated its issued and outstanding common shares on a 50:1 basis (the "Share Consolidation"). This Share Consolidation resulted in the pre-consolidation issued and outstanding total shares of 179,500,076 being consolidated on a 50:1 basis. After effecting all transactions, there were 3,589,990 issued and outstanding common shares which became the new share capital of the Company. The Share Consolidation affected all of MTI's issued and outstanding common shares on May 21, 2015. Fractional shares were not issued. Pre-consolidation there were 32,913,886 (post-consolidation 658,278) MTI warrants issued and outstanding. These warrants were transferred to TMS and do not exist post-consolidation. Prior to the Plan of Arrangement, there were pre-consolidation 3,220,000 (post-consolidation 64,400) stock options all of which were cancelled. Certain comparative information regarding issued and outstanding common shares, warrants, stock options and weighted average number of share amounts have been re-presented on a post-consolidation basis.

Year ended June 30, 2016

On July 8, 2015, the Company purchased the Goldsmith Property in exchange for 2,393,334 (post-consolidation) common shares valued at $50,000 (Note 3).

6. FINANCIAL INSTRUMENTS

(a) Fair value information

As at March 31, 2017, the Company's financial instruments consist of cash and accounts payable. The carrying values of these financial instruments approximate their fair values because of their current nature. All financial assets and financial liabilities are recorded at fair value on initial recognition. All financial assets and financial liabilities are recorded at fair value on initial recognition.

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity);

At March 31, 2017 and June 30, 2016, all financial assets and liabilities were classified in the fair value hierarchy as level 1. There were no transfers between levels during the nine months ended March 31, 2017

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments and related risks

Liquidity Risk

At March 31, 2017, the Company held cash of $690 (June 30, 2016 - $15,101), had negative working capital of $569,239 (June 30, 2016 - $469,793). At March 31, 2017, the Company expects that it will be able to obtain funding from investors in order to meet its obligations.

Interest rate Risk

Interest rate risk is the result that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company was not exposed to significant interest rate risk as loans payable were at fixed interest rates with short-term maturities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company was mainly exposed to credit risk from holding cash, which it mitigates from holding balances with major financial institutions.

Currency Risks

The Company is exposed to currency risk related to certain accounts payable and accrued liabilities and other payable amounts which were denominated in US$. As at March 31, 2017, there were US$59,820 denominated in US$ (June 30, 2016 – US$59,820).

7. MANAGEMENT OF CAPITAL

The Company's objectives of capital management are to safeguard its ability to support the Company's normal operating requirements on an ongoing basis and to start to development its mining interest. The Company considers its capital to be share capital.

The Company’s is currently not generating any cash flows; as such, the Company is dependent on external and related party financing to fund its costs. The Company does not have any working capital and will need to raise additional amount in order to meet its obligations. Companies in this stage typically rely upon equity and debt financing to fund operations. The Company is not listed on a stock exchange at March 31, 2017. There is no certainty with respect to the Company’s ability to raise capital.

At March 31, 2017, the Company expects that it will be able to obtain funding from investors in order to meet its obligations. Additional financing will need to be obtained for the planned development and exploration of the mining interest.

At March 31, 2017, there was no externally imposed capital requirement to which the Company is subject.

(in Canadian dollars)

8. SUPPLEMENTAL CASH FLOW INFORMATION

		Nine months ended March 31, 2017		Nine months ended March 31, 2016
Interest paid	**$**	**-**	$	-
Income taxes paid	**$**	**-**	$	-

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

As at March 31, 2017, the Company owed $247,336 to various directors and their companies, which is included in accounts payable and accrued liabilities.

The remuneration of directors and key management personnel during the three and nine months ended March 31, 2017 and 2016 are as follows:

		Three months ended March 31, 2017		Three months ended March 31, 2016		Nine months ended March 31, 2017		Nine months ended March 31, 2016
Management, consulting, directors' and professional fees	**$**	**33,000**	$	27,000	**$**	**99,000**	$	113,500
	$	**33,000**	$	27,000	**$**	**99,000**	$	113,500

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.