Admiral Bay Resources Inc.

Condensed Interim Financial Statements

For the three-month period ended October 31, 2018
(Unaudited)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the condensed interim financial statements.

The accompanying unaudited condensed interim financial statements of the Admiral Bay Resources Inc. (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 condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim financial statements by an entity's auditor.

Admiral Bay Resources Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at:	Notes	**October 31 2018 $**	July 31, 2018 $
Assets			
Current Assets			
Cash		**15,529**	11,018
Sales tax receivable		**311**	6,653
Total assets		**15,840**	17,671
Liabilities			
Current Liabilities			
Accounts payable and other payables	7	**57,758**	56,451
Loans payable	6	**31,526**	31,526
Total liabilities		**89,284**	87,977
Shareholders' Deficiency			
Share capital	8	**50,185,484**	50,185,484
Deficit		**(50,258,928)**	(50,255,790)
Total shareholders' deficiency		**(73,444)**	(70,306)
Total liabilities and shareholders' deficiency		**15,840**	17,671

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 10)

APPROVED ON BEHALF OF THE BOARD ON DECEMBER 20, 2018:

Signed *"Rajenda Kushwah "*
Director

Signed *"Rahul Kushwah"*
Director

Admiral Bay Resources Inc.
Condensed Interim Statements of Income (Loss) and Comprehensive Income (loss)
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	**Three-month Period ended October 31, 2018 $**	October 31, 2017 $
Expenses			
Office and miscellaneous		**415**	-
Professional fees		**-**	1,885
Rent		**-**	3,000
Transfer agent and filing fees		**2,723**	-
Total expenses		**(3,138)**	(4,885)
Loss and comprehensive loss for the period		**(3,138)**	(4,885)
Loss and comprehensive loss per share - basic and diluted		**(0.00)**	(0.01)
Weighted average number of shares outstanding – basic and diluted		**6,514,249**	514,249

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

Admiral Bay Resources Inc.

Condensed Interim Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

(Unaudited)

	Share Capital			
	Number of shares	**Amount**	**Deficit**	**Total**
	#	$	$	$
Balance at July 31, 2017	514,249	50,179,484	(50,213,105)	(33,621)
Loss and comprehensive loss for the period	-	-	(4,885)	(4,885)
Balance at October 31, 2017	**514,249**	**50,179,484**	**(50,217,990)**	**(38,506)**
Balance at July 31, 2018	6,514,249	50,185,484	(50,255,790)	(70,306)
Loss and comprehensive loss for the period	-	-	(3,138)	(3,138)
Balance at October 31, 2018	**6,514,249**	**50,185,484**	**(50,258,928)**	**(73,444)**

On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

Admiral Bay Resources Inc.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

For the three months ended October 31,	**2018** **$**	2017 $
Operating activities		
Loss and comprehensive loss for the period	**(3,138)**	(4,885)
Net change in non-working capital items:		
GST/HST recoverable	**6,342**	(169)
Accounts payable and other payables	**1,307**	5,054
Cash flows generated by operating activities	**4,511**	-
Change in cash	**4,511**	-
Cash at beginning of year	**11,018**	-
Cash at end of period	**15,529**	-
Cash paid for interest expense	-	-
Cash paid for income taxes	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Admiral Bay Resources Inc. ("Admiral Bay" or the "Company"), was incorporated in British Columbia on September 3, 1987. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Our management intends to seek new opportunities. The Company currently does not hold any material resource property interests.

As at October 31, 2018, the Company had a working capital deficiency of $73,444 (July 31, 2018 – $70,306), had not yet achieved profitable operations, has accumulated losses of $50,258,928 (July 31, 2018 - $50,255,790) and expects to incur future losses in the development of any business, all of which represent material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

On May 16, 2018, the Company received the following revocation orders:

- Revocation Order dated May 16, 2018 from the British Columbia Securities Commission to a Cease Trade Order ("CTO") previously issued on December 6, 2011; and

- Revocation Order dated May 16, 2018 from the Alberta Securities Commission to a CTO previously issued on March 5, 2012.

The CTOs were issued by the BCSC and the ASC, as a result of the failure of the Company, under its previous management, to file annual audited financial statements and related management discussion and analysis within the required time. The Company has addressed all of the outstanding filing deficiencies and brought its continuous disclosure records on SEDAR up to date. As a condition for receiving the revocation orders, the Company has provided the Commissions with an undertaking to hold its annual shareholders' meeting within three months after the CTOs are revoked.

2. BASIS OF PREPARATION

2.1 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, 2018. These financial statements have been prepared following the same accounting policies as the Company's audited financial statements for the year ended July 31, 2018.

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on December 20, 2018.

2.2 Basis of presentation and functional and presentation currency

These condensed interim financial statements have been prepared on a going concern basis, under the historical cost convention and have been prepared using the accrual basis of accounting except for cash flow information, as explained in the accounting policies set out in Note 3.

2.2 Basis of presentation and functional and presentation currency (Continued)

The condensed interim financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended July 31, 2018.

The preparation of condensed interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Several amendments to existing accounting standards became effective January 1, 2018 and were first adopted by the Company in the three-month period ended October 31, 2018:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. As the Company does not have any revenue from customers, this change had no impact on the financial statements.

IFRS 9 Financial Instruments

A finalized version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements for classification and measurement of financial assets and liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from IAS 39. This change had no impact on the financial statements.

New Standards and Interpretations Not Yet Adopted

The Company will be required to adopt the following standards and amendments issued by the IASB, as described below.

Applicable to the Company's annual period beginning on January 1, 2019:

IFRS 16 Leases

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

The Company has not early-adopted this standard and is currently assessing the impact that the standard will have on the condensed interim financial statements.

4. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of share capital and deficit, which as at October 31, 2018 totaled a deficiency of $73,444, (July 31, 2018 - deficiency of $70,306). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The only sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended October 31, 2018 and during the years ended July 31, 2018 and 2017. The Company is not subject to externally imposed capital restrictions.

5. FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments consist of cash and accounts payable. The carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Cash is classified as financial assets at FVTPL and accounts payable and loans payable are classified as other financial liabilities, which are measured at amortized cost.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subjective and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as Level 1.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings and customers with no history of default.

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at October 31, 2018, the Company had a working capital deficiency of $35,444 (July 31, 2018 - $70,306). In order to meet its longer-term working capital requirements, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change, and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more operating activities. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms.

Foreign exchange risk
The Company has no assets and liabilities denominated in foreign currency and conducts its business mainly in Canada. The Company's exposure to currency risk is currently considered insignificant.

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's interest income on cash balance is negligible and the accounts payable and loans payable are non-interest bearing. The Company is not exposed to significant interest rate risk.

6. LOANS PAYABLE

During the year ended July 31, 2018, the Company obtained three separate loans for total gross proceeds of $31,526, of which a total of $21,526 was from related parties (Note 7). The loans are unsecured, non-interest bearing and due on demand.

7. RELATED PARTY TRANSACTIONS

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 periods ended October 31, 2018 and 2017.

The amounts due to related parties consist of the following as at October 31, 2018 and July 31, 2018:

	Note	**October 31, 2018 $**	July 31, 2018 $
Included in accounts payable		**25,474**	25,474
Included in loans payable	6	**21,526**	21,526
Total		**47,000**	47,000

The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

8. CAPITAL STOCK

Capital Stock
The Company is authorized to issue unlimited number of common shares without par value.

During the period ended October 31, 2018, there were no share issuances.

During the year ended July 31, 2018, the Company completed the following share issuances:

On July 11, 2018, the Company increased the number of authorized common shares without par value from 202,297,706 common shares to an unlimited number of common shares.

On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

On July 25, 2018, the Company completed a non-brokered private placement and issued an aggregate of 6,000,000 common shares for gross proceeds of $6,000.

Stock Options

The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares at a fixed price. Vesting and expiry provisions are determined at the date of grant. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

During the period ended October 31, 2018 and 2017 no stock options were issued or outstanding.

9. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment in Canada.

10. SUBSEQUENT EVENTS

On December 14, 2018, the Company announced that Johannes (Theo) van der Linde, Eugene Beukman, Joel Dumaresq and Steven Tedesco have resigned from the board of directors of the Company and have been replaced by Rajendra Kushwah, Dr. Rahul Kushwah and Michelle Butler.

The Company also entered into a non-binding letter of intent with Cultivar Holdings Ltd. with respect to a reverse take-over transaction which would ultimately result in the Company's common shares being listed on the Canadian Securities Exchange.