BIRD RIVER RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

(UNAUDITED – PREPARED BY MANAGEMENT)

Notice to Reader

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

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

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

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at October 31 2017	As at July 31 2017
ASSETS		
Current		
Cash and cash equivalents (note 4)	$ 10,082	$ 35,456
Trade receivables	17,284	16,235
Goods and service tax recoverable	2,180	-
Inventory	16,852	17,357
Total current assets	46,398	69,048
Non-current		
Property and equipment (note 5)	77,770	81,870
Total non-current assets	77,770	81,870
Total assets	**$ 124,168**	**$ 150,918**
LIABILITIES		
Current		
Trade payables	$ 24,525	$ 140,396
Other payables (note 8)	13,675	89,678
Total current liabilities	38,200	230,074
Non-current liabilities		
Decommissioning obligations (note 9)	9,663	9,663
Total liabilities	47,863	239,737
SHAREHOLDERS' EQUITY		
Share capital (note 10)	1,150,770	1,012,247
Share-based payments reserve (note 11)	2,043	1,840
Deficit	(1,076,508)	(1,102,906)
Total shareholders' equity	76,305	(88,819)
Total liabilities and shareholders' equity	**$ 124,168**	**$ 150,918**

Basis of preparation and going concern assumption (note 2)

Approved by the Board:

"Jon Bridgman" Director

"Donal Carroll" Director

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

BIRD RIVER RESOURCES INC.
Condensed Interim Consolidated Statements of Comprehensive Loss (unaudited)
(Expressed in Canadian Dollars)

	3 months ended October 31 2017	3 months ended October 31 2016
Revenue		
Petroleum and natural gas revenue	$ 4,351	$ 10,154
Industrial mineral sales	15,900	11,426
	20,251	21,580
Expenses		
Depletion	4,019	7,209
Depreciation	81	104
(Gain) on settlement of debt (note 10(b))	(56,781)	-
General and administrative (note 12)	35,248	28,101
Production and operating - petroleum and natural gas	2,285	6,883
Production and operating - industrial minerals	8,798	7,970
Share-based payments (note 11)	203	-
	(6,147)	50,267
Income (loss) from operations	26,398	(28,687)
Other income (expenses):	-	-
Net income (loss) and comprehensive income (loss) for the period	**$ 26,398**	**$ (28,687)**
Income (loss) per common share (note 10(c)):		
Basic	$ 0.002	$ (0.003)
Fully diluted	0.002	(0.003)
Weighted average number of common shares outstanding		
Basic	11,373,254	10,570,225
Fully diluted	11,573,254	10,670,225

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

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	3 months ended October 31 2017	3 months ended October 31 2016
Cash provided by (used in) operating activities		
Net income (loss) for the period	$ 26,398	$ (28,687)
Adjustments for:		
Depletion	4,019	7,209
Depreciation	81	104
Share-based payments	203	-
Changes in non-cash working capital items:		
Trade receivables	(1,049)	2,270
Goods and services tax recoverable	(2,180)	17
Inventory	505	396
Trade payables	(115,871)	10,513
Other payables	(76,003)	(20,313)
	(163,897)	(28,491)
Cash provided by (used in) financing activities		
Common shares issued	138,523	-
Increase (decrease) in cash and cash equivalents	(25,374)	(28,491)
Cash and cash equivalents, beginning of the period	35,456	87,845
Cash and cash equivalents, end of the period	**$ 10,082**	**$ 59,354**

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

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

(Expressed in Canadian Dollars)

	Share capital		Share-based payments		
	Shares	Amounts	reserve	Deficit	Total
Balances, July 31, 2016	**10,570,225**	**$ 1,012,247**	**$ 1,840**	**$ (919,149)**	**$ 94,938**
Share-based payments	-	-	-	-	-
Net loss for the year	-	-	-	(183,757)	(183,757)
Balances, July 31, 2017	**10,570,225**	**1,012,247**	**1,840**	**(1,102,906)**	**(88,819)**
Common shares issued	2,308,709	138,523	-	-	138,523
Share-based payments	-	-	203	-	203
Net loss for the period	-	-	-	26,398	26,398
Balances, October 31, 2017	**12,878,934**	**$ 1,150,770**	**$ 2,043**	**$ (1,076,508)**	**$ 76,305**

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

1. Nature of operations

Bird River Resources Inc. (the "Company") is a publicly listed company incorporated under the laws of Manitoba on March 7, 1958. The mailing and office address of its executive office is 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2.

The principal business activities include the acquisition and exploration of resource properties with the Company's primary focus on petroleum and natural gas properties. The Company also engages in secondary activities, from time to time, involving the purchase or acquisition of certain industrial minerals, typically diatomaceous earth and bentonite, for distribution and re-sale or for use in an abandoned water well sealing operation. The Company's shares are listed on the Canadian Stock Exchange under the symbol BDR.

The Company is in the exploration stage and has not yet determined whether its mineral properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral properties, and if they are proven successful, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain.

2. Basis of preparation and summary of significant accounting policies

These condensed interim consolidated financial statements of the Company for the three month period ended October 31, 2017 (the "consolidated interim financial statements") have been prepared in accordance with IAS 34 Interim Financial Reporting.

These consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended July 31, 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using accounting policies consistent with those used in the Company's July 31, 2017 annual consolidated financial statements.

The consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The consolidated interim financial statements were authorized for issue by the Board of Directors on January 3, 2018.

The preparation of 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 areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are disclosed in Note 2.

Basis of measurement

These consolidated interim financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss, which are measured at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Going concern of operations

The going concern assumption implies that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. However, there is doubt about the appropriateness of the use of the going concern assumption because the Company has experienced losses and negative cash flows from operations over a number of years.

The Company has not yet determined whether all of its exploration and evaluation assets contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the Company's exploration and development programs are successful, additional funds may be required, and the Company may not have sufficient funds to conduct the exploration required. The primary source of future funds available to the Company is through the sale of additional equity capital, which may dilute the interests of existing shareholders.

These consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate, then adjustments may be necessary to the carrying value of assets and liabilities and the reported amounts of revenue and expenses.

Significant accounting judgments and estimates

The preparation of these consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated interim financial statements include estimates that, by their nature are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) the recoverability of sundry receivables that are included in the statement of financial position;
(ii) the recoverability of exploration and evaluation expenditures incurred on the Company's property interests;
(iii) although the Company has taken steps to verify title to the resource properties in which it has an interest, these procedures do not guarantee the Company's title and such properties may be subject to prior agreements or transfers and title may be affected by undetected issues;
(iv) the estimated useful lives and residual value of property and equipment which are included in the financial statements and the related depreciation included in profit or loss;
(v) the inputs used in accounting for share based payment transactions;
(vi) management's position that there are no income tax considerations required within these consolidated interim financial statements; and
(vii) management's judgment in determining the functional currency of the Company as Canadian Dollars.

Basis of consolidation

These consolidated interim financial statements include the accounts of the company and its wholly-owned subsidiary 2411181 Manitoba Ltd. All significant inter-company transactions have been eliminated on consolidation

Future accounting changes

Recent accounting announcements

Standards issued but not yet effective up to the date of issuance of these consolidated interim financial statements are listed below. This listing is of the standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of these new standards on its consolidated financial statements to be significant.

(Expressed in Canadian dollars)

IFRS 9 Financial Instruments

IFRS 9, as issued, addresses the classification and measurement of financial assets and liabilities and requires any financial assets or liabilities to be classified into one of three measurement categories. The measurement categories are: (1) fair value through profit and loss; (2) fair value through other comprehensive income or loss; and (3) amortized cost. Investments in equity instruments must be measured at fair value through profit or loss; however, there is an irrevocable option to present the changes in fair value in other comprehensive income or loss. For financial liabilities, the majority of the requirements from IAS 39 have been retained. The main difference is where the fair value option is chosen for financial liabilities, the portion of the fair value change relating to an entity's own credit risk is recorded in other comprehensive income or loss as opposed to profit or loss. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires entities to follow a five-step model for the recognition of revenue upon the transfer of control of a good or service to the customer. The five steps are: (1) contract is identified with the customer; (2) performance obligations are identified; (3) transaction price is determined; (4) transaction price is allocated; and (5) revenue is recognized when the performance obligation is satisfied. In addition, there are enhanced revenue disclosures to provide investors with a more comprehensive understanding of the nature, amount, timing and uncertainty of revenue and cash flows from contracts. This standard replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue recognition. This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present and disclose information relating to 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 an insignificant value. Consistent with its predecessor, IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. This standard is effective for annual periods beginning on or after January 1, 2019.

3. Exploration and evaluation expenses

During the period ended October 31, 2017, the Company has directly expensed exploration and evaluation costs in the amount of $ nil (2016- $ nil).

4. Cash and cash equivalents

	October 31, 2017 ($)	**July 31, 2017 ($)**
Cash	10,082	35,456
Other cash equivalents	-	-
	10,082	35,456

Cash and cash equivalents are deposited at established Canadian financial institutions.

(Expressed in Canadian dollars)

5. Property and equipment

	Exploration and evaluation equipment ($)	Vehicles ($)	Petroleum and natural gas properties ($)	Totals ($)
Cost:				
Balance, July 31, 2016	52,333	11,342	255,469	319,144
Additions	-	-	-	-
Impairment loss	-	-	(51,288)	(51,288)
Disposals	-	-	-	-
Balance, July 31, 2017	52,333	11,342	204,181	267,856
Additions	-	-	-	-
Balance, October 31, 2017	52,333	11,342	204,181	267,856
Accumulated depletion and depreciation:				
Balance, July 31, 2016	50,810	10,967	111,280	173,057
Depletion and depreciation for the year	305	113	12,511	12,929
Balance, July 31, 2017	51,115	11,080	123,791	185,986
Depreciation for the period	61	20	4,019	4,100
Balance, October 31, 2017	51,176	11,100	127,810	190,086
Carrying amounts:				
At July 31, 2017	1,218	262	80,390	81,870
At October 31, 2017	1,157	242	76,371	77,770

6. Interests in joint arrangements

The Company participates in a joint operation with Antler River Resources Ltd. and other parties relating to twelve oil wells in southwestern Manitoba. The Company has rights to the assets and obligations for the liabilities relating to this joint operation, therefore has recognized its share of the assets, liabilities, revenues and expenses in these consolidated financial statements. Pursuant to the arrangement, expenditures are limited to costs of surface access, building location, drilling, completing, equipping and operating or abandoning the oil wells. The related expenditures are deferred in the accounts of the Company until the technical and commercial viability of extracting resources has been demonstrated. The Company has earned an interest equal to 80% of their contribution to the costs of surface access, building location, drilling, completing, equipping and operating or abandoning the oil wells, which represents approximately a 4% interest in the joint operation. As at July 31, 2017 and 2016, technical and commercial viability of extracting resources has been demonstrated on ten oil wells and as a result the amounts previously capitalized to exploration and evaluation assets have been transferred to petroleum and natural gas properties in property and equipment and are being depleted accordingly (see Note 5).

7. Exploration and evaluation assets

The Company previously held an exploration property known as the Ore Fault property located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg, Manitoba. On August 19, 2008 Marathon PGM acquired the balance of the Ore Fault property consisting of 19 claims which covers 446 hectares. Under the joint arrangement, Marathon had an option to earn 100% of the Ore Fault property once their interest reached 70%. Marathon exercised its option to require the company to sell the remaining 30% interest in the property for a purchase price of $1,450,000. The company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property.

(Expressed in Canadian dollars)

During the year ended July 31, 2017, various leases expired resulting in write-downs of exploration and evaluation assets totaling $35,127 (2016 - $91,850) relating to leases Northeast quarter 17-1-27, Northeast quarter 23-1-28 and Northeast quarter 30-1-27 (2016 - relating to leases Northwest quarter 23-1-28, Southwest quarter 23-1-28, Northeast quarter 14-4-22, Northeast quarter 2-3-26 and Southeast quarter 2-3-26).

8. Other payables

The Company's other payables are comprised of the following:

	October 31, 2017 ($)	July 31, 2017 ($)
Sales taxes payable	513	583
Accrued liabilities	13,162	89,095
	13,675	89,678

9. Decommissioning obligations

The Company's decommissioning obligations result from its ownership interest in petroleum and natural gas properties. The total provision for decommissioning obligations is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The total estimated undiscounted cash flows required to settle the obligations, before considering salvage as at July 31, 2017 is approximately $19,000 (2016 - $19,000), which has been discounted using a pre-tax rate of 2.96% (2016 - 2.96%) reflecting the time value of money and the risks specific to the obligation. These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2016 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The Company's decommissioning obligations as at October 31, 2017 and July 31, 2017 were as follows:

	October 31, 2017 ($)	July 31, 2017 ($)
Balance, beginning of period/year	9,663	9,385
Accretion	-	278
Balance, end of period/year	9,663	9,663

10. Share capital

(a) Authorized

Authorized share capital consists of an unlimited number of common voting shares.

(b) Changes in issued common shares are summarized below:

	Number of common shares (#)	Amount ($)
Balance, July 31, 2016	10,570,225	1,012,247
Changes during the year	-	-
Balance, July 31, 2017	10,570,225	1,012,247
Issued during the period (i)	2,308,709	138,523
Balance, October 31, 2017	12,878,934	1,150,770

(Expressed in Canadian dollars)

(i) On September 29, 2017, the Company issued a total of 2,308,709 common shares at the price of $0.06 per common share to settle the amount of $138,723 of indebtedness to arm's length parties.

(c) Income (loss) per share

The calculation of basic and diluted income (loss) per share is calculated by dividing the net income (loss) by the weighted average number of common shares outstanding during the periods:

	3 months ended October 31, 2017	**3 months ended October 31, 2016**
Income (loss) for the period	$ 26,398	$ (28,687)
Income (loss) per share – basic	$ 0.002	$ (0.003)
Income (loss) per share – fully-diluted	$ 0.002	$ (0.003)
Weighted average number of common shares – basic	11,373,254	10,570,225
Weighted average number of common shares – fully-diluted	11,573,254	10,670,225

The calculation of fully-diluted income (loss) per share assumes all outstanding stock options were exercised and the underlying shares were issued and outstanding during the entire periods.

11. Share-based payments

(a) Outstanding options

The following table summarizes stock options outstanding as at October 31, 2017 and July 31, 2017:

	Number outstanding (#)	**Exercise price ($)**	**Expiry date**
Directors' options	100,000 (i)	0.10	March 14, 2019
Director's options	100,000 (ii)	0.10	March 14, 2019

(i) On March 14, 2014, the Company issued 100,000 incentive stock options to a director of the Company. The exercise price is $0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning April 1, 2014. These options were fully vested as at July 31, 2016.

The estimated fair value of stock options granted was estimated using the Black-Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	18.64%
Expected option life	5 years
Risk free interest rate	0.89%
Expected dividend yield	-
Stock price at grant	$0.10
Exercise price	$0.10

(Expressed in Canadian dollars)

(ii) On July 7, 2017, the Company issued 100,000 incentive stock options to a director of the Company. The exercise price is $0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning August 1, 2017. 16,666 of these options were vested as at October 31, 2017.

The estimated fair value of stock options granted was estimated using the Black-Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	33.71%
Expected option life	1.67 years
Risk free interest rate	0.68%
Expected dividend yield	-
Stock price at grant	$0.09
Exercise price	$0.10

(b) Changes in stock options

A summary of the changes in stock option activity for the period ended October 31, 2017 and the year ended July 31, 2017 is as follows:

	October 31, 2017		**July 31, 2017**	
	Weighted average exercise price ($)	**Number of options (#)**	**Weighted average exercise price ($)**	**Number of options (#)**
Outstanding, beginning of period/year	0.10	200,000	0.10	100,000
Granted	-	-	0.10	100,000
Expired	-	-	-	-
Outstanding and exercisable, end of period/year	0.10	200,000	0.10	200,000

The options outstanding at the end of the period have an exercise price of $0.10 per share (year ended July 31, 2017 - $0.10 per share) and had a weighted average remaining contractual life of 1.37 years as at October 31, 2017 (1.62 years as at July 31, 2017).

(c) Effects on profit or loss

The total estimated fair value of options vested and recognized as an expense for the period ended October 31, 2017 was $203 (year ended July 31, 2017 = $ nil).

(Expressed in Canadian dollars)

12. General and administrative expenses

The general and administrative expenses incurred by the Company for the periods ended October 31, 2017 and 2016 were as follows:

	3 months ended October 31, 2017 ($)	3 months ended October 31, 2016 ($)
Automotive	-	1,224
Management fees	7,000	12,000
Office and general	2,184	4,384
Professional fees	23,000	3,663
Rent	-	2,400
Repairs and maintenance	-	-
Shareholder and public company costs	2,500	3,810
Telephone	564	620
Travel	-	-
	35,248	28,101

13. Related party transactions

(a) Key management personnel compensation

The Company did not pay employment based remuneration to directors, officers and other members of key management for the three month periods ended October 31, 2017 and 2016, however, the Company did pay contract based remuneration to directors, officers and other members of key management as disclosed in part (b) below.

(b) Other related party transactions

During the three month period ended October 31, 2017, the Company paid management fees in the amount of $7,000 (2016 - $12,000) to officers and directors of the Company. The Company also paid rent in the amount of $nil (2016 - $2,400) to a former director and officer of the Company. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties.

As at October 31, 2017, included in trade and other payables are amounts owing to directors and officers of the Company in the amount of $18,000 (2016 - $124,198). These amounts are unsecured and non-interest bearing with no specified terms of repayment

(c) Key management personnel compensation during the period is comprised of:

	October 31, 2017 ($)	October 31, 2016 ($)
Management fees (note 13(b))	5,000	12,000
Share based payments (note 11)	203	-
	5,203	**12.000**

(Expressed in Canadian dollars)

14. Financial instruments

(a) Risk management and hedging activities

In the normal course of operations, the Company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not meaningfully participate in the use of financial instruments to control these risks. The Company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

(i) Currency risk

The Company does not hold any assets or liabilities denominated in a foreign currency, therefore is not exposed to currency risk.

(ii) Price risk

The Company is exposed to price risk with respect to commodity prices of oil and gas. The Company monitors commodity prices in order to manage their exposure to these risks. An annual average change of 1% in crude oil prices would affect the reported net income by $44 for the period ended October 31, 2017 (2016 - $102)..

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company is exposed to credit risk on its financial assets. Cash is held with established Canadian financial institutions and the Company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The Company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets recorded in the consolidated interim financial statements of $29,546 (July 31, 2017 - $51,691) represents the maximum exposure to credit risk at the reporting date.

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the Company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at October 31, 2017, the Company had working capital in the amount of $8,198 (July 31, 2017 – deficiency of $161,026).

The contractual maturities of financial liabilities based on the earliest date on which payment can be required are as follows:

	Total amount ($)	6 months or less ($)	More than 6 months ($)
As at October 31, 2017:			
Trade payables	24,525	24,525	-
Other payables	13,675	13,675	-
	38,200	38,200	-
As at July 31, 2017			
Trade payables	140,396	140,396	-
Other payables	89,678	89,678	-
	230,074	230,074	-

(Expressed in Canadian dollars)

(v) Interest rate risk

The Company is not exposed to any meaningful interest rate risk due to the short term nature of its interest generating assets.

(b) Sensitivity analysis

The Company had cash and cash equivalents subject to interest rate risk of $10,082 (July 31, 2017 - $35,456). A 1% change in the primary interest rate would affect the reported net income on an annualized basis by $101 (2017 - $355).

(c) Fair values, carrying amounts and changes in fair value

The fair values of the Company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the consolidated interim statement of financial position, have been prioritized into three levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level two includes inputs that are observable other than quoted prices included in level one; and
- Level three includes inputs that are not based on observable market data.

The Company's financial instruments within the fair value hierarchy as at October 31, 2017 and July 31, 2017 were as follows:

	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**
As at October 31, 2017:			
Cash and cash equivalents	10,082	-	-
As at July 31, 2017:			
Cash and cash equivalents	35,456	-	-

(d) Collateral

The carrying value of financial assets the company has pledged as collateral is $ nil (2016 - $ nil).

15. Capital management

The Company considers its capital structure to consist of share capital, stock options and warrants. When managing capital, the Company's objective is to ensure that the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral and petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the Company's operations. As at October 31, 2017, the Company had managed capital, being total equity on the consolidated interim statement of financial position of $76,305 (July 31, 2017 – net deficit of $88,819).

A number of the properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative expenses, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties it if feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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 current or prior period. The Company is not subject to externally imposed capital requirements.

16. Subsequent events

Subsequent to the period ended October 31, 2017, the following subsequent events occurred:

(a) On November 29, 2017, the Company granted 1,300,000 incentive stock options to officers and directors of the Company exercisable into common shares at $0.10 per share expiring on March 14, 2019.

(b) On December 22 and 28, 2017, the Company closed non-brokered private placements to issue a total of 35,055,000 Units at the price of $0.10 per Unit and a total 8,067,000 flow through common shares at the price of $0.13 per flow through common share for total gross proceeds of $4,554,210.

Each Unit consists of one common share and one-half of one common share purchase warrant with each whole warrant being exercisable to acquire one common share of the company at a price of $0.20 for a period of 24 months following the closing date of the Offering.

Insiders of the Company subscribed for 500,000 Units. The insider private placements are exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 (“MI 61-101”) in that the fair market value of the consideration for the securities of the Company issued to the insiders do not exceed 25% of its market capitalization.

The proceeds from the sale of the flow through shares will be used for Canadian Exploration Expenses (within the meaning of the *Income Tax Act* (Canada)) and will be renounced for the current taxation year.

In connection with the Offering, members of the selling group received: (i) a corporate finance fee equal to 2% of the gross proceeds of the Offering, and (ii) a sales commission up to 7% of the gross proceeds of the Offering. As additional compensation, the Company issued to the selling group broker warrants to purchase Units at $0.10 for two years from closing in respect of the sale of Units (“Broker Unit Warrants”) and warrants to purchase common shares at $0.13 for two years from closing in respect of the sale of flow through shares (“Broker Share Warrants”) in the following amounts: (i) corporate finance Broker Unit Warrants or Broker Share Warrants equal to 2% of the aggregate number of Units or FT Shares (as the case may be) sold in the Offering, and (ii) selling compensation Broker Unit Warrants or Broker Share Warrants up to 7% of the aggregate number of Units or FT Shares (as the case may be) sold in the Offering. The Company issued a total of 2,930,250 Broker Unit Warrants and 726,030 Broker Share Warrants to the selling group.

All of the securities issued in connection with the Offering are subject to a hold period expiring four month plus one day from the closing date.