

## **LAMÉLÉE IRON ORE LTD.**

### **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS As at March 31, 2018**

#### Condensed Interim Financial Statements

Condensed Interim Financial Statement of Financial Position	2
Condensed Interim Financial Statement of Loss and Comprehensive Loss	3
Condensed Interim Financial Statement of Changes in Equity	4
Condensed Interim Financial Statement of Cash Flows	5
Notes to Condensed Interim Financial Statements	6-11

These condensed interim financial statements for the six-month period ended March 31, 2018 have not been reviewed by the auditor of the Company.

**LAMÉLÉE IRON ORE LTD.**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**(unaudited, in Canadian dollars)**

	Notes	March, 31 2018 \$	September 30, 2017 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		3,513	1,068
Sales taxes receivable		1,658	2,608
Other receivable		-	5,133
Prepaid expenses		5,000	1,300
		<u>10,171</u>	<u>10,109</u>
<b>Non-current</b>			
Exploration and evaluation assets	5	90,000	90,000
		<u>90,000</u>	<u>90,000</u>
<b>Total assets</b>		<u>100,171</u>	<u>100,109</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		135,053	20,864
Dues to an officer, without interest and repayment schedule		282	282
		<u>135,335</u>	<u>21,146</u>
<b>Total liabilities</b>		<u>135,335</u>	<u>21,146</u>
<b>EQUITY (DEFICIENCY)</b>			
Share Capital		6,034,332	6,034,332
Contributed surplus	6	5,146,104	5,145,840
Deficit		(11,215,600)	(11,101,209)
		<u>(35,164)</u>	<u>78,963</u>
<b>Total equity (deficiency)</b>		<u>(35,164)</u>	<u>78,963</u>
<b>Total liabilities and equity (deficiency)</b>		<u>100,171</u>	<u>100,109</u>

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

These financial statements were approved and authorized for publication by the Board of Directors on May 30, 2018.

On the behalf of the Board,

(s) Stéphane Leblanc,  
 President and Chief Executive Officer

(s) Hubert Vallée,  
 Chief Financial Officer

**LAMÊLÉE IRON ORE LTD.**  
**CONDENSED INTERIM FINANCIAL STATEMENT OF COMPREHENSIVE LOSS**  
**(unaudited, in Canadian dollars)**

	Notes	Three-months ended March, 31		Six-months ended March, 31	
		2018 \$	2017 \$	2018 \$	2017 \$
<b>EXPENSES</b>					
Transaction fees		50,096	-	50,096	-
Professional fees		15,032	15,196	44,914	62,828
Shareholders' relations		12,187	9,721	14,362	12,908
Trustees and registration fees		1,300	-	2,600	1,300
Travel expenses		2,042	-	2,042	-
Share-based payments	6	-	858	264	2,828
Bank charges		60	587	92	587
Office expenses		21	192	21	415
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<u>(80,738)</u>	<u>(26,554)</u>	<u>(114,391)</u>	<u>(80,866)</u>
<b>LOSS PER SHARE</b>					
Basic and diluted loss per share		<u>(0.02)</u>	<u>(0.01)</u>	<u>(0.03)</u>	<u>(0.03)</u>
Weighted average number of common shares outstanding		<u>3,961,584</u>	<u>2,908,588</u>	<u>3,961,584</u>	<u>2,908,588</u>

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

## LAMÉLÉE IRON ORE LTD.

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (unaudited, in Canadian dollars)

For the six-month period ended March 31, 2018 and 2017

	Notes	Number of shares	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$	Total equity (deficiency) \$
<b>Balance at October 1<sup>st</sup>, 2017</b>		3,961,584	6,034,332	-	5,145,840	(11,101,209)	78,963
Share-based payments	6	-	-	-	264	-	264
Net loss and total comprehensive loss for the period		-	-	-	-	(114,391)	(114,391)
<b>Balance at March, 31 2018</b>		<u>3,961,584</u>	<u>6,034,332</u>	<u>-</u>	<u>5,146,104</u>	<u>(11,215,600)</u>	<u>(35,164)</u>

	Notes	Number of shares	Share capital \$	Share Capital to be issued \$	Warrants \$	Contributed surplus \$	Deficit \$	Total equity (deficiency) \$
<b>Balance at October 1<sup>st</sup>, 2016</b>		2,908,588	5,876,382	-	123,000	5,019,387	(10,976,221)	42,548
Share-based payments	6	-	-	-	-	2,828	-	2,828
Share Capital to be issued		-	-	5,250	-	-	-	5,250
Expiry of warrants		-	-	-	(123,000)	123,000	-	-
Net loss and total comprehensive loss for the period		-	-	-	-	-	(80,866)	(80,866)
<b>Balance at March 31, 2017</b>		<u>2,908,588</u>	<u>5,876,382</u>	<u>5,250</u>	<u>-</u>	<u>5,145,215</u>	<u>(11,057,087)</u>	<u>(30,240)</u>

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

**LAMÉLÉE IRON ORE LTD.****CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited, in Canadian dollars)**

For the six-month period ended March 31, 2018 and 2017

	Three-months ended		Six-months ended	
	March, 31		March, 31	
Notes	2018	2017	2018	2017
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Loss before income taxes	(80,738)	(26,554)	(114,391)	(80,866)
Adjustments for:				
Share-based payments – directors	6	858	264	2,828
Changes in working capital items				
Cash held in trust	-	(5,250)	-	(5,250)
Taxes receivable	2,311	(2,453)	950	(2,551)
Other receivable	5,133	-	5,133	-
Prepaid expenses	(5,000)	(5,200)	(3,700)	(3,900)
Trade and other payables	78,163	4,927	114,189	50,669
Cash flows from (used by) operating activities	(131)	(33,672)	2,445	(39,070)
<b>FINANCING ACTIVITIES</b>				
Due to a director and officer	-	31,294	-	31,294
Shares to be issued	-	5,250	-	5,250
Cash flows from financing activities	-	36,544	-	36,544
<b>Net change in cash</b>	(131)	2,872	2,445	(2,526)
Cash, beginning of period	3,644	7,186	1,068	12,584
Cash, end of period	3,513	10,058	3,513	10,058

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

# LAMÉLÉE IRON ORE LTD.

## Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the six-month period ended March 31, 2018 and 2017

---

### 1. **INCORPORATION AND NATURE OF OPERATIONS**

The Company is incorporated under the Canada Business Corporations Act. Its head office is located at 1801 Avenue McGill College, Suite 950, Montreal, Quebec, Canada. The Company's shares are listed on the TSX Venture Exchange.

Lamêlée Iron Ore Ltd. (the «Company») is an exploration Company with activities in Canada.

The Company's principal property is an interest in the Meston Lake West Property located near Chibougamau, Quebec, Canada. The Company has no income from production since the property is at the exploration stage.

The Company's financial year ends on September 30.

### 2. **GOING CONCERN**

These financial statements were prepared on a going concern basis, using the historical cost, except for the financial assets accounted for at fair value through profit and loss.

The financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, it has neither yet generated income nor cash flows from its operations. As at March 31, 2018, the Company has a deficit of \$11,215,600 (\$11,057,087 as at March 31, 2017). This material uncertainty may cast a significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

### 3. **BASIS OF PREPARATION AND ADOPTIONS OF IFRS**

The Company's condensed interim financial statements have been prepared based on International Financial Reporting Standards (IFRS) in accordance with IAS 34 standard, Interim Financial Reporting. The condensed interim financial statements are presented in Canadian currency which is also the functional currency of the Company. The functional currency has remained unchanged during the reporting period.

The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements for the year ended September 30, 2017, as they follow the same accounting policies and methods of application.

The condensed interim financial statements for the reporting period ended March, 31 2018 (including comparatives) were approved and authorized for issue by the Board of Directors on May 30, 2018.

# LAMÉLÉE IRON ORE LTD.

## Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the six-month period ended March 31, 2018 and 2017

---

### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are presented in the audited financial statements for the year ended September 30, 2017 and have not been modified since that time.

### 5. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be analyzed as follows :

	Balance as at October 1 <sup>st</sup> , 2017	Additions	Disposal	Balance as at March 31, 2018
Quebec	\$	\$	\$	\$
Meston Lake West Property				
Mining rights	90,000	-	-	90,000
Exploration and evaluation	-	-	-	-
	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>90,000</u>

All impairment charges (or reversals, if any) are included within Impairment of non-financial assets in profit or loss.

#### Meston Lake West Property

On May 16, 2016, the Company acquired the rights, titles and interests in 36 mining claims of the property located 50 km of the town of Chibougamau. In counterpart, the Company issued 450,000 common shares at the price of \$0.20 per share for a total amount of \$90,000 and will have to pay a royalty of \$50,000 as at June 30, 2018.

# LAMÉLÉE IRON ORE LTD.

## Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the six-month period ended March 31, 2018 and 2017

---

### 6. SHARE-BASED PAYMENTS

The Company has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors and employees of the Company as well as persons providing services to the Company. Under this plan, options to purchase the common shares from time-to-time may be granted for a variable number whereby the number should never represent more than 10% of the issued and outstanding capital stock of the Company. Exercise price of options equals the market price of the Company's stock on the date of grant. Stock options are exercisable over a three year period: 33% after 12 months, 24 months and 36 months respectively from the date of grant for a maximum term of ten years. Among the options outstanding, none is subject to an escrow agreement.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

An amount of \$264 (\$2,828 in 2017) of the share-based payments was recorded in earnings as share-based payments and credited to contributed surplus.

The Company's share options are as follows for the reporting periods presented:

<i>Administration</i>	March 31, 2018		September 30, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	92,500	2.53	125,000	2.51
Cancelled	-	-	(32,500)	2.46
Outstanding, end of period	<u>92,500</u>	2.53	<u>92,500</u>	2.53
Exercisable, end of period	<u>92,500</u>	2.53	<u>86,667</u>	2.64



# LAMÉLÉE IRON ORE LTD.

## Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the six-month period ended March 31, 2018 and 2017

### 6. SHARE-BASED PAYMENTS (Continued)

The table below summarizes the information related to share options as at March 31, 2018:

	Outstanding options and exercisable		
	Number of options	Exercise price \$	Remaining life (years)
<i>Administration</i>	17,500	1.00	6.74
	12,500	2.80	5.88
	<u>62,500</u>	2.90	5.77
	<u>92,500</u>		

### 7. WARRANTS

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	March 31, 2018		September 30, 2017	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Balance at beginning	1,052,996	0.20	76,875	3.00
Granted	-	-	1,052,996	0.20
Expired	-	-	(76,875)	3.00
Balance at end	<u>1,052,996</u>	0.20	<u>1,052,996</u>	0.20

Outstanding warrants are as follows:

Expiry date	Exercise price \$	March 31, 2018	September 30, 2017
		Number	Number
April 21, 2020	0.20	<u>1,052,996</u>	<u>1,052,996</u>

# LAMÉLÉE IRON ORE LTD.

## Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the six-month period ended March 31, 2018 and 2017

---

### 8. RELATED PARTY TRANSACTIONS

The Company's related parties include its key officers and the companies of the key officers such as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

#### 8.1 Transactions with key officers

The Company's related parties include its key officers and the companies controlled by key officers such as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash except for share-based payments.

#### 8.2 Transactions with a company controlled with key officers

	2018	2017
	\$	\$
Transaction fees	9,000	-
Share-based payments	264	2,828

The Company incurred respectively \$4,245 and \$39,595 (\$21,480 and \$nil in 2017) as professional fees and transaction fees to a law firm of which a director of the Company is an employee. As at March 31, 2018, an amount owing to this firm of \$6,949 (\$28,134 in 2017) is included in trade and other payables.

### 9. POST REPORTING DATE EVENT

There is no post reporting date event.