Financial Statements of

Mountain Lake Minerals Inc.

For the three months ended February 28, 2017 and 2016

NOTICE TO READER

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 to this effect.

The accompanying unaudited condensed interim financial statements have been prepared by management of the Company. Management have compiled the condensed interim statement of financial position of Mountain Lake Minerals Inc. as at February 28, 2017, the condensed interim statements of comprehensive loss for the three months ended February 28, 2017 and 2016, the condensed interim statement of changes in equity as at February 28, 2017 and 2016, and the condensed interim statement of cash flows for the three months ended February 28, 2017 and 2016. The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the February 28, 2017 and 2016 condensed interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

Mountain Lake Minerals Inc.

Unaudited Condensed Interim Statements of Financial Position

As at February 28, 2017 and November 30, 2016 (in Canadian dollars)

	February 28, 2017	November 30, 2016
ASSETS	$	$
Current assets		
Cash	653	653
Input taxes receivable	10,273	10,273
Prepaid expenses	3,000	3,000
	13,926	13,926
Equipment	5,606	7,887
Exploration and evaluation assets (Note 5)	3,228,208	3,226,101
Total Assets	3,247,740	3,247,914
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	594,636	576,636
Notes payable (Note 6)	66,000	66,000
	660,636	642,636
SHAREHOLDERS' EQUITY		
Total Shareholders' Equity	2,587,104	2,605,278
Total Liabilities and Shareholders' Equity	3,247,740	3,247,914

Going concern – Note 1

See accompanying notes to unaudited condensed interim financial statements.

Mountain Lake Minerals Inc.
Unaudited Condensed Interim Statements of Comprehensive Loss

For the three months ended February 28 (in Canadian dollars)

	Three months ended February 28 2017 $	2016 $
Expenses		
Management fees	18,000	18,000
Professional fees	-	-
Share-based payments	983	939
Office and general	-	1,214
Travel and business development	-	46
Share transfer, listing and filing fees	-	7,369
Amortization	174	54
	19,157	27,622
Loss (gain) on marketable securities	-	-
Net loss and comprehensive loss for the period	19,157	27,622
Loss per share – basic and diluted	0.00	0.00

See accompanying notes to unaudited condensed interim financial statements.

For the periods ended February 28 (in Canadian dollars)

	Common shares		Contributed Surplus	Share-based payments reserve	Deficit	Total Shareholders' Equity
	Number	$	$	$	$	$
Balance, November 30, 2015	27,673,011	4,892,127	487,969	-	(2,678,206)	2,701,890
Share-based payments			939	-	-	939
Net loss and comprehensive loss	-	-	-	-	(27,622)	(27,622)
Balance, February 28, 2016	27,673,011	4,892,127	488,988	-	(2,705,828)	2,675,207

	Common shares		Contributed Surplus	Share-based payments reserve	Deficit	Total Shareholders' Equity
	Number	$	$	$	$	$
Balance, November 30, 2016	27,673,011	4,892,127	491,079	-	(2,777,928))	2,605,278
Share-based payments			983	-	-	983
Net loss and comprehensive loss	-	-	-	-	(19,157)	(19,157)
Balance, February 28, 2017	27,673,011	4,892,127	492,062	-	(2,797,085)	2,587,104

See accompanying notes to unaudited condensed interim financial statements.

For the three months ended February 28 (in Canadian dollars)

Cash provided by (used in)	2017 $	2016 $
Operating activities		
Net loss for the period	(19,157)	(27,622)
Adjustments for:		
Amortization	174	54
Share-based payments	983	939
Loss on marketable securities	-	-
	(18,000)	(26,629)
Net change in non-cash working capital balances related to operations		
Amount receivable	-	(367)
Prepaid expenses	-	-
Accounts payable and accrued liabilities	18,000	27,181
	-	185
Investing activities		
Exploration and evaluation expenditures	-	(905)
	-	(905)
Increase (decrease) in cash for the period	-	(720)
Cash – beginning of period	653	6,435
Cash – end of period	653	5,715

See accompanying notes to unaudited condensed interim financial statements.

For the three months ended February 28, 2017 and 2016

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Mountain Lake Minerals Inc. ("Mountain Lake Minerals" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 16, 2012, as a wholly-owned subsidiary of Mountain Lake Resources Inc. ("MLR"). The address of the Company's head office is 1853 Sunken Lake Road, RR2, Wolfville, Nova Scotia, Canada, B4P 2R2. Its registered office is Suite 1750 – 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6.

The Company is a junior exploration company exploring for precious and base metal deposits. Mountain Lake's current projects are located in the provinces of Newfoundland, New Brunswick and Ontario Canada and include: a 100% interest in the Glover Island gold exploration property and a 100% interest in the Little River gold-antimony exploration property as well as interests in other properties (note 5).

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. However, there is significant doubt as to the Company's ability to continue as a going concern. The Company has experienced losses and negative cash flow from operations since incorporation. As at February 28, 2017, the Company has cash of $653 to settle current liabilities of $660,639 (of which $269,000 is to related parties). As disclosed in note 5, the Company filed an application to reduce and surrender a portion of its mining lease on the Glover Island property, which is subject to government approval. While the Company is confident that the lease application will be approved, there can be no certainty that the Company can maintain claim to the Glover Island property.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These unaudited condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these unaudited condensed interim financial statements, then adjustments would be necessary to reflect these unaudited condensed interim financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements should be read in conjunction with the Company's annual financial statements and accompanying notes for the year ended November 30, 2016. These unaudited condensed interim financial statements have been prepared using the same accounting policies and judgments and estimates as described in the Company's November 30, 2016 annual financial statements.

a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

The unaudited condensed interim financial statements were authorized for issue by the Board of Directors on April 28, 2017.

b) Basis of measurement

The unaudited condensed interim financial statements have been prepared on the historical cost basis, except for cash and marketable securities which are measured at fair value.

c) Functional and presentation currency

These unaudited condensed interim financial statements are presented in Canadian dollars which is the Company's functional currency.

For the three months ended February 28, 2017 and 2016

d) Accounting standards issued but not effective:

The following standards are effective for annual periods as disclosed and have not yet been adopted by the Company. The Company is currently evaluating the impact of these new standards.

IFRS 9, Financial instruments, introduces new requirements for the classification, measurement and derecognition of financial instruments. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

The extent of the impact of adoption of the standard and interpretation on the unaudited condensed interim financial statements of the Company has not been determined.

NOTE 3 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. The Company's definition of capital is shareholders' equity, which as at February 28, 2017 was $2,587,224 (November 30, 2016 - $2,605,278).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing, primarily equity financing, to fund its activities. There can be no assurance that the Company will be able to continue to raise capital in this manner. To carry out the planned exploration and fund administrative costs, the Company will utilize 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 if it believes there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

The Company generally invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid financial instruments, such as cashable guaranteed investment certificates, held with a major Canadian financial institution.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

NOTE 4 – FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and notes payable. Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. Cash is designated as held-for-trading and measured at fair value. Marketable securities are carried at fair value as it is comprised of common shares in a publicly-traded company which have a quoted market price in an active market. Accounts payable and accrued liabilities and notes payable are designated as other financial liabilities and measured at amortized cost. The recorded values of all financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

Fair values of financial instruments

During the three months ended February 28, 2017, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities. The fair values of the Company's financial instruments are considered to approximate the carrying amounts. The following table provides the disclosures of the fair value and the level in the hierarchy:

		February 28, 2017	
			$
	Level 1	**Level 2**	**Level 3**
Cash	653	-	-

For the three months ended February 28, 2017 and 2016

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company's accounts payable and accrued liabilities are due within one year. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at February 28, 2017, the Company has cash of $653 to settle current liabilities of $660,636 (of which $269,000 is to related parties).

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

	Balance, November 30, 2016	Expenditures	Balance, February 28, 2017
Glover Island	2,376,019	358	2,376,377
Little River	850,082	1,749	851,831
	3,226,101	2,107	3,228,208

Glover Island, Newfoundland and Labrador, Canada

The Company has an undivided 100% interest in the Glover Island property, a gold exploration property in Newfoundland and Labrador consisting of a mineral license and a mining lease. The property is subject to a net smelter returns royalty ("NSR") of 1% of commercial production, which reduces to 0.5% after the payment of the first $1.0 million. The NSR becomes effective after payment of the South Coast Royalty. The South Coast Royalty is a 3% NSR paid either from production of the Glover Island property or the production of certain other mineral interests including the Pine Cove property (held and operated by Anaconda Mining Inc.) to an aggregate of $3.0 million.

On November 25, 2016, the Company submitted a request to reduce the number of claims on the mining lease from 77 to approximately 35. Approval is subject to the completion of an inspection by the Company of the proposed new lease area to ensure compliance with environmental regulations. On December 7, 2016, the Department of Natural Resources of Newfoundland Labrador performed the inspection and issued the report with no non-compliance issues noted.

As of April 28, 2017, the Company owes the Department of Natural Resources $267,500 on annual rental fees on the mining lease ($115,500 for 2017 and $152,000 for 2016). While there is no specific due date for the payment of the balance, the partial surrender of the lease would reduce the outstanding balance accordingly.

Management plans to reduce the property size and focus on the lease area to only include those claims where there are known mineral reserves.

Little River, Newfoundland and Labrador, Canada

The Company has a 100% interest in other mineral claims in Newfoundland and Labrador. The third party option holders have retained a 2% net smelter return royalty and the Company has the exclusive right and option to acquire half of the net smelter return royalty for $1.5 million.

For the three months ended February 28, 2017 and 2016

On August 10, 2016, the Company transferred one of its licenses back to the optionor. As of November 30, 2016, the Company has 2 licenses on this property with a total of 134 claims (2016 – 3 licenses with 448 claims). The Company dropped lease claims during the year in order to focus further exploration on the claims where management believes there are known mineral reserves.

Other Properties

Hong Kong Claims, Ontario, Canada

The Company has a 41.8% interest in a mineral property known as Hong Kong Claims in Ontario. At this time the Company and the other owner have decided not to carry out further exploration. Ongoing maintenance costs are expensed as incurred.

NOTE 6 – NOTES PAYABLE

On April 17, 2013, the Company received gross proceeds of $88,000 pursuant to an interim bridge loan financing (the "Convertible Notes") from various directors, officers, and other private investors. The convertible notes are non-interest bearing and matured on November 30, 2014 (amended by agreement of the Company and all note-holders from the original maturity date of September 30, 2013). As at February 28, 2017, the balance of the notes payable was $66,000 (November 30, 2016 - $66,000). After maturity, the notes can no longer be converted into common shares at the election of the Company and, accordingly, were reclassified from equity to current liabilities on November 30, 2014.

NOTE 7 – SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares without par value.

The Company did not issue any common share during the three months ended February 28, 2017.

Stock Options

The Company has a Stock Option Plan (the "Plan) which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

On September 1, 2015 the Company modified 350,000 options granted to the President which reduced the exercise price from $0.20 to $0.05 and extended the expiry date from October 30, 2017 to September 1, 2018. The fair value of the former options was approximately the same as the modified options. As a result, no share-based compensation was recorded for the modification.

On September 1, 2015, the Company granted 800,000 stock options to directors and officers and vested in different stages. Share-based compensation of $1,571 was recorded (2016 - $1,410). The weighted average fair value of the 800,000 options was $0.004. The fair value of these options was determined on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: Share price $0.005, risk free interest rate of 0.43%, the expected life of 1.88 years, expected volatility of 307%, forfeiture rate of 0% and expected dividends of $Nil.

On October 1, 2015, the Company granted 800,000 stock options to directors and vested in different stages. Share-based compensation of $1,539 was recorded (2016 - $1,233). The weighted average fair value of the 800,000 options was $0.004. The fair value of these options was determined on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: Share price $0.005, risk free interest rate of 0.43%, the expected life of 1.88 years, expected volatility of 307%, forfeiture rate of 0% and expected dividends of $Nil.

As at February 28, 2017, the Company has 2,125,000 share purchase options outstanding at an exercise price ranging from $0.025 to $0.20 per share, expiring from September 1, 2018 to October 1, 2018.

For the three months ended February 28, 2017 and 2016

NOTE 8 – RELATED PARTY TRANSLATIONS

Payments to key management personnel including the President and Chief Executive Officer, Chief Financial Officer, Directors and companies directly controlled by key management personnel are for salaries, consulting fees, management fees, or professional fees and are directly related to their position in the Company or to services provided to the Company.

For the three months ended February 28, 2017, key management personnel compensation was $18,000.

These transactions are measured at exchange amounts, which are the amounts of consideration negotiated, established and agreed to by the related parties.

Included in accounts payable and accrued liabilities are amounts owing to related parties totalling $267,500 (November 30, 2016 - $249,500). Included in notes payable are amounts owing to related parties totalling $1,500 (November 30, 2016 - $1,500).