

Condensed Interim Financial Statements of

Mountain Lake Minerals Inc.

For the period ended February 28, 2018 and 2017

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF THESE 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 the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Mountain Lake Minerals 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 the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Mountain Lake Minerals Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	Note	February 28, 2018 (Unaudited)	November 30, 2017 (Audited)
ASSETS		\$	\$
Current assets			
Cash		3,092	36,704
Amounts receivable		27,244	26,162
Prepaid expenses		3,000	3,000
		33,336	65,866
Equipment		5,202	5,606
Exploration and evaluation assets	4	117,887	101,500
		156,425	172,972
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	825,737	903,237
Notes payable	5	66,000	66,000
		891,737	969,237
SHAREHOLDERS' DEFICIENCY			
Share capital	6	5,299,627	5,069,627
Share subscription received	6	2,500	42,500
Contributed surplus		491,953	491,953
Deficit		(6,529,392)	(6,400,345)
Total shareholders' deficiency		(735,312)	(796,265)
		156,425	172,972

Going concern – Note 1
Subsequent events – Note 8

Approved on behalf of the Board:

"Bill Fleming"

Director

"Paul Smith"

Director

See accompanying notes to the condensed interim financial statements.

Mountain Lake Minerals Inc.
Condensed Interim Statements of Comprehensive Loss
For the three months ended February 28, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

	February 28, 2018	February 28, 2017
	\$	\$
Expenses		
Management fees	18,000	18,000
Professional fees	102,177	-
Share-based payments	-	983
Office and general	3,186	-
Travel and business development	5,281	-
Share transfer, listing and filing fees	-	-
Amortization	404	174
Loss before other item	129,048	19,157
Net loss and comprehensive loss	129,048	19,157
Loss per share – basic and diluted	0.00	0.00

See accompanying notes to the condensed interim financial statements.

Mountain Lake Minerals Inc.
Condensed Interim Statements of Changes in Deficiency
For the three months ended February 28, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

	Common shares		Share	Contributed	Deficit	Total
	Number	\$	Subscriptions	Surplus	\$	\$
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

	Common shares		Share	Contributed	Deficit	Total
	Number	\$	Subscriptions	Surplus	\$	\$
Balance, November 30, 2017	34,723,011	5,069,627	42,500	491,953	(6,400,345)	(796,265)
Shares issued for cash	300,000	30,000	(30,000)	-	-	-
Shares issued for share for debt	1,900,000	190,000	-	-	-	190,000
Shares issued for exercised warrants	200,000	10,000	(10,000)	-	-	-
Share-based payment	-	-	-	-	-	-
Loss for the period	-	-	-	-	(129,047)	(129,047)
Balance, February 28, 2018	37,123,011	5,299,627	2,500	-	(6,529,393)	(735,313)

See accompanying notes to the condensed interim financial statements.

Mountain Lake Minerals Inc.
Condensed Interim Statements of Cash Flows
For the three months ended February 28, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

	February 28, 2018	February 28, 2017
Cash provided by (used in)	\$	\$
Operating activities		
Net loss for the period	(129,048)	(19,157)
Adjustments for:		
Amortization	404	174
Share-based payments	-	983
Loss on marketable securities	-	-
	<u>(128,644)</u>	<u>(18,000)</u>
Net change in non-cash working capital balances related to operations		
Amount receivable	(1,082)	-
Prepaid expenses	-	-
Accounts payable and accrued liabilities	112,500	18,000
	<u>(17,226)</u>	<u>-</u>
Financing activities		
Additions to exploration and evaluation assets	(16,386)	-
	<u>(16,386)</u>	<u>-</u>
Change in cash for the period	(33,612)	-
Cash – beginning of period	36,704	653
Cash – end of period	<u>3,092</u>	<u>653</u>

See accompanying notes to the condensed interim financial statements.

Mountain Lake Minerals Inc.
Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Mountain Lake Minerals Inc. (“Mountain Lake Minerals” or the “Company”) was incorporated under the Business Corporations Act of British Columbia on May 16, 2012. 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 province of Newfoundland and Labrador, Canada (note 4).

These 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, 2018, the Company had not yet generated revenues and had a deficit of \$6,529,392. The Company has cash of \$3,092 to settle current liabilities of \$891,737.

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 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 financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

NOTE 2 – BASIS OF PRESENTATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed interim financial statements of the Company should be read in conjunction with the Company’s 2017 annual financial statements that have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 24, 2018.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except where otherwise noted.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars which is the Company’s functional currency.

Mountain Lake Minerals Inc.
Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

NOTE 2 – BASIS OF PRESENTATION (continued)

d) Use of estimates

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of revenues and expenses. 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. Actual results may differ from these estimates. The more significant areas are as follows:

Critical accounting estimates

Estimate of recoverability for non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for the mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, exploration costs will be reclassified to mineral properties under exploration and subject to different accounting treatment. As at February 28, 2018 management had determined that no reclassification of exploration expenditures was required.

The assessment of deferred income tax assets and liabilities requires management to make judgments on whether or not the Company's deferred tax assets are probable to be recovered from future income. Management has determined that the recoverability of the Company's deferred tax assets is remote due to the history of losses. As a result no deferred income tax assets have been recognized as at February 28, 2018.

Decommissioning liabilities

Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that existed during the year.

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

e) Significant accounting policies

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in notes to the audited financial statements for the year ended November 30, 2017.

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and

NOTE 2 – BASIS OF PRESENTATION (continued)

Mountain Lake Minerals Inc.
Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
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f) Adoption of new standards

The Company did not adopt any new or amended accounting standards during the period ended February 28, 2018 which had a significant impact on the Financial Statements.

g) New standards

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 2 Share-based Payments - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 16 Leases - The new standard specifies how an issuer 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 an insignificant 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.

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019.

The Company is in the process of determining the impact that these changes will have on its consolidated financial statements.

Based on the Company's preliminary assessment, the adoption of these standards and interpretation is not expected to have a material impact on the financial statements.

NOTE 3 – FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts 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. Accounts payable 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.

NOTE 3 – FINANCIAL INSTRUMENTS (continued)

Mountain Lake Minerals Inc.
Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

Fair values of financial instruments

During the period ended February 28, 2018, 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, 2018		
	Level 1	Level 2	Level 3
	\$	\$	\$
Cash	3,092	-	3,092

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 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, 2018, the Company has cash of \$3,092 to settle current liabilities of \$891,737 (of which \$321,500 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 4 – EXPLORATION AND EVALUATION ASSETS

	Balance, November 30, 2017	Expenditures	Balance, February 28, 2018
Glover Island	-	-	-
Little River	89,000	16,387	105,387
Grand Falls - Windsor	12,500	-	12,500
	<u>101,500</u>	<u>16,387</u>	<u>117,887</u>

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

Mountain Lake Minerals Inc.
Notes to the Condensed Interim Financial Statements
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Grand Falls – Windsor, Newfoundland and Labrador, Canada

On October 30, 2017, the Company entered into an option agreement (“Agreement”) with New Dawn Resources Inc. whereby the Company can acquire a 100% interest in the Grand Falls – Windsor property, a gold exploration property in the Central Newfoundland area of Newfoundland and Labrador consisting of 53 mineral claims under 2 licenses. As consideration, the Company is required to issue an aggregate 450,000 common shares, make \$35,000 cash payment and incur accumulated exploration costs of \$175,000 as follows:

	Number of common shares	Cash (\$)	Exploration expenditures (\$)
On closing date of the agreement (issued and paid)	50,000	10,000	-
On or before the first anniversary of the closing date	150,000	-	25,000
On or before the second anniversary of the closing date	250,000	-	50,000
On or before the third anniversary of the closing date	-	25,000	100,000
	450,000	35,000	175,000

Pursuant to the terms of the Agreement, the Company is required to issue additional 350,000 common shares if prior to the third anniversary of the closing date, when the assay results from the exploration work showing that at least one rock of sample contains one or more than one ounce of gold per tonne.

The property is subject to a net smelter returns royalty (“NSR”) of 1.5% of commercial production. The Company can purchase 1% of NSR for \$1,500,000 at any time.

Glover Island, Newfoundland and Labrador, Canada

The Company had 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 was 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 became 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 \$3,000,000.

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 7, 2017, the Company owes the Department of Natural Resources \$267,500 on annual rental fees on the mining lease (\$115,500 for 2017 and 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. Subsequent to the year ended February 28, 2018, the Company was advised that the licenses on the Glover Island property have been revoked by the Ministry of Natural Resources due to non-payment of the balance. As at February 28, 2018, the Company owes \$385,000 and has recorded a write-down of exploration and evaluation assets of \$2,492,519.

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.

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. During the year ended November 30, 2017, the Company dropped certain lease claims in order to focus further exploration on the claims where management believes there are known mineral reserves. As a result, management has estimated the fair value of the remaining 20 claims to be \$89,000 and recorded a write-down of exploration and evaluation assets of \$762,189.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

Mountain Lake Minerals Inc.
Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

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 5 – 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. As at February 28, 2018, the balance of the notes payable was \$66,000 (2017 - \$66,000).

NOTE 6 – SHARE CAPITAL

Common shares

The Company’s authorized capital consists of an unlimited numbers of common shares without par value.

As at February 28, 2018, there were 37,123,011 issued and outstanding common shares.

Period ended February 28, 2018

- a) During the period ended February 28, 2018, the Company completed a non-brokerage private placement by issuing 300,000 common share at \$0.10 per unit. Each Unit will be comprised of one common share and one-half of one common share purchase warrant, each whole warrant being exercisable for one common share at an exercise price of \$0.15 for two years from closing.
- b) On January 29, 2018, the Company issued a total of 1,900,000 common shares to settle accounts payable of \$190,000 of which \$72,000 was due to directors and officers of the Company. As the fair value of the shares was \$190,000, no gain or loss on debt settlement has been recorded by the Company.
- c) During the period ended February 28, 2018, the Company, 200,000 warrants were exercised at \$0.10 per share.

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.

In a prior year, the Company granted an aggregate 1,600,000 stock options to directors and officers of the Company. Options vested in different stages. During the year ended February 28, 2018, the Company recognized \$nil share-based (2017 - \$983) payments for the remaining vested options.

Continuity of stock options for the period ended February 28, 2018 and 2017 is as follows:

	February 28, 2018		November 30, 2017	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Outstanding, beginning of the year	2,125,000	\$0.05	2,125,000	\$0.05
Granted	-	-	-	-
Expired / Cancelled	(175,000)	0.20	(175,000)	0.20
Outstanding, end of the year	1,950,000	\$0.04	1,950,000	\$0.04

NOTE 6 – SHARE CAPITAL (continued)

The following table summarizes the stock options outstanding and exercisable at February 28, 2018:

Mountain Lake Minerals Inc.
Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Weighted Average Remaining Life (in year)	Expiry Date
350,000	350,000	\$0.05	0.75	September 1, 2018
800,000	800,000	\$0.025	0.75	September 1, 2018
800,000	800,000	\$0.05	0.84	October 1, 2018
1,950,000	1,950,000		0.79	

A summary of the status of the Company's outstanding and exercisable warrants as at February 28, 2018 and the changes during the year are as follows:

	Number of warrants	Weighted Average Exercise Price	Expiry date
Outstanding, November 30, 2017 and 2016	-	\$ -	-
Issued	7,000,000	\$ 0.05	August 16, 2019
Exercised	(200,000)	\$0.10	
Issued	150,000	\$0.15	October 30, 2019
Outstanding, February 28, 2018	6,950,000	\$ 0.05	

NOTE 7 – 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, 2018, 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 \$244,000 (2017 - \$267,500). Included in notes payable are amounts owing to related parties totalling \$1,500 (2017 - \$1,500).

NOTE 8– SUBSEQUENT EVENTS

- a) On March 15, 2018, the Company informed its shareholders that Management has signed a letter of intent which generally record the terms of a proposed business combination whereby the Company would acquire 1151024 B.C. Ltd. ("1151024 B.C.") and complete a spin-out of its mining assets to its existing shareholders.
- b) On March 15, 2018, the Company announced, that it has arranged a non-brokered private placement to raise up to \$3,000,000 through the sale of an aggregate of up to 10,000,000 units at a price of \$0.30 per Unit.