LANDSDOWN HOLDINGS LTD.

(an exploration stage company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

For the Three Months Ended March 31, 2018 (Q1)

(Expressed in Canadian dollars)

Landsdown Holdings Ltd.
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(Unaudited)
As at March 31, 2018

LANDSDOWN HOLDINGS LTD.

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements ("financial statements") of Landsdown Holdings Ltd. are the responsibility of the management and Board of Directors of the Company. The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the financial statement notes. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are compliant with *IAS 34 - Interim Financial Reporting* as issued by the International Accounting Standards Board.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

James Macintosh
President and CEO

Julio DiGirolamo
CFO and Corporate Secretary

January 18, 2019

Landsdown Holdings Ltd.
Condensed Interim Statements of Financial Positions
As at March 31, 2018 and December 31, 2017
(Unaudited)
(Expressed in Canadian dollars)

	Note	**March 31, 2018 $**	**December 31, 2017 $**
Assets			
Cash and cash equivalents		**307,434**	335,648
Loans receivable	7	**31,443**	28,943
Prepaid expenses		**-**	12,000
Current Assets		**338,877**	376,591
Mineral property	8	**30,000**	10,000
Total Assets		**368,877**	386,591
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses		**6,725**	25,208
Loans payable	9	**518**	518
		7,243	25,726
Shareholders' Equity (Deficit)			
Share Capital	4	**587,094**	587,094
Deficit		**(225,460)**	(226,229)
		361,634	360,865
Total Liabilities and Shareholders' Equity		**368,877**	386,591

Nature and Continuance of Operations (Note 1)
Proposed Transaction (Note 10)

The accompanying notes are integral to these financial statements.

Approved and authorized for issue on January 18, 2019:

/s/ James Macintosh
CEO and President

Landsdown Holdings Ltd.
Condensed Interim Statements of Income and Comprehensive Income
For the Three Months Ended March 31, 2018 and March 31, 2017
(Unaudited)
(Expressed in Canadian dollars)

	For the Three Months Ended March 31, 2018 $	**For the Three Months Ended March 31, 2017 $**
Expenses		
Transfer agent	**226**	—
General and administration (recovery)	**(995)**	—
Total expenses (recovery)	**(769)**	—
Net income and total comprehensive income for the period	**769**	—
Basic and diluted income per common share	**$ 0.00**	$ 0.00
Weighted average number of common shares outstanding	**14,438,578**	4,278,699

The accompanying notes are integral to these financial statements.

Landsdown Holdings Ltd.

Condensed Interim Statements of Changes in Shareholders' Deficit

(Unaudited)

(Expressed in Canadian dollars except the number of shares)

	Common Shares			
		Amount	**Deficit**	**Total**
	Number	**$**	**$**	**$**
Balance, December 31, 2016	**4,200,500**	**52,503**	**(72,372)**	**(19,869)**
Issuance of common shares	10,238,078	541,131	—	541,131
Share issuance costs	—	(6,540)	—	(6,540)
Net Loss for the year	—	—	(153,857)	(153,857)
Balance, December 31, 2017	**14,438,578**	**587,094**	**(226,229)**	**360,865**
Net income for the period	**—**	**—**	**769**	**769**
Balance, March 31, 2018	**14,438,578**	**587,094**	**(225,460)**	**361,634**

The accompanying notes are integral to these financial statements.

Landsdown Holdings Ltd.
Condensed Interim Statements of Cash Flows
For the Three Months Ended March 31, 2018 and March 31, 2017
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended March 31, 2018 $	Three Months Ended March 31, 2017 $
Net income and comprehensive income for the period	**769**	-
Operating Activities:		
Changes in non-cash working capital items:		
Change in accounts receivable	**-**	(10,327)
Change in prepaid expenses	**12,000**	-
Change in accounts payable & accrued expenses	**(18,483)**	(1,673)
Cash flows used in operating activities	**(5,714)**	(12,000)
Investing Activities:		
Mineral property	**(20,000)**	-
Loans receivable	**(2,500)**	-
Cash flows used in Investing activities	**(22,500)**	-
Financing Activities:		
Loans payable	**-**	12,000
Proceeds from subscriptions for common stock, net of share issuance costs	**-**	109,959
Cash flows provided by financing activities	**-**	121,959
Increase (decrease) in cash and cash equivalents	**(28,214)**	109,959
Cash & cash equivalents, beginning of the period	**335,648**	3
Cash & cash equivalents, end of the period	**307,434**	109,962
Cash paid during the period for interest	**$ -**	$ -
Cash paid during the period for income taxes	**$ -**	$ -

The accompanying notes are integral to these financial statements.

1. Nature and Continuance of Operations:

Landsdown Holdings Ltd. (the "Company") was incorporated on August 9, 2015 under the laws of British Columbia, Canada. Its head office is located at 401 Bay St., Suite 2702, Toronto, ON. M5H 2Y4, Canada. The Company is in the mining and exploration sector.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully develop its business of exploration of mining.

The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At March 31, 2018, the Company had not yet achieved profitable operations and had accumulated losses of $225,460 since its inception. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Basis of Presentation:

Statement of Compliance -

The condensed interim financial statements for the three months ended March 31, 2018 have been prepared in accordance with IAS 34 - Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2017.

The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company's most recent annual consolidated financial statements for the year ended December 31, 2017.

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measure at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information

3. Significant Accounting Policies:

a) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS. All dollar amounts presented are in Canadian dollars unless otherwise specified. These financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

b) Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with IFRS 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 the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs. Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

<u>Economic recoverability and probability of future economic benefits of mineral properties</u>
Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

<u>Determination of functional currency</u>
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site decommissioning obligations
The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

c) Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its consolidated financial statements beginning January 1, 2018.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit and lost (“FVTPL”). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model. The new impairment model applies to financial assets measure at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company’s consolidated financial statements.

d) Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

e) Mineral properties

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

f) Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense

g) New standards and interpretations not yet applied –

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below.

IFRS 16, Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is in the process

4. Share Capital and Reserves:

Authorized – Unlimited Common shares without par value; and

Issued and Outstanding as at March 31, 2018: 14,438,578 (December 31, 2017: 14,438,578)

During the three months ended March 31, 2018 there were no share issuances.

During the year ended December 31, 2017, the Company issued a total of 10,238,078 common shares for proceeds of $541,131 and incurred share issuance costs of $6,540.

5. Capital Disclosures:

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral 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 business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it 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.

6. Financial and Capital Risk Management:

The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash, loan receivable, accounts payable and loan payable approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at March 31, 2018 as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash	$ 307,434	-	-	$ 307,434
	$ 307,434	-	-	$ 307,434

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign exchange risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Credit risk
The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk
The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk
The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

7. Loans Receivable:

The Company has demand loans receivable of $31,443 as at March 31, 2018 (December 31, 2017: $28,943). The amounts are unsecured and due upon demand without interest.

8. Mineral property:

The Company's mineral property interests are comprised of properties located in Canada.

On February 17, 2017, the Company entered into an option agreement with Ridge Resources Ltd, Crucible Resources Ltd, 477291 B.C. Ltd, MVR Consulting Inc. and Timothy Arthur Johnson (collectively, the "Vendors") whereby the Vendors granted the Company the right to acquire a 100% interest in and to the Cobalt Property. In order to acquire the 100% interest in the Property, the Company shall pay cash and issue shares as follows:

(a) Cash payment of $10,000 within 10 days of execution of this agreement (Paid during the year ended December 31, 2017)

(b) Cash payments to Ridge:
  (i) $20,000 on or before February 17, 2018 (Paid in February 2018); and
  (ii) $30,000 on or before February 17, 2019

(c) and issuance of 1,800,000 common shares of the Company as follows:
  (i) 400,000 shares of the Company upon Exchange acceptance of this agreement ("Approval Date");
  (ii) 600,000 shares of the Company – 12 months from the Approval Date; and
  (iii) 800,000 shares of the Company – 24 months from the Approval Date;

9. Loans Payable:

As at March 31, 2018, the Company had demand loans payable of $518 (December 31, 2017: $518). The amounts owed are unsecured and upon demand without interest.

10. Proposed Transaction:

On September 30, 2016, the Company signed a non-binding letter of intent (the "LOI") with Monterey Minerals Inc. (the "Seller") whereby the Seller would form a newly incorporated wholly-owned subsidiary (the "Newco") to a facilitate a spin-out transaction under the Seller's 2016 Plan of Arrangement in which Newco will purchase all of the issued and outstanding capital stock from the Company's shareholders through a share exchange (the "Proposed Transaction"), resulting in the Company becoming a reporting issuer in B.C. and Alberta upon completion. Upon closing, the Seller would transfer a $1,000 deposit and a letter of intent for business concepts to Newco.

As of March 31, 2018, no payments have been made under the Proposed Transaction. See Note 13 for subsequent events regarding this proposed transaction.

11. Segmented Information:

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

12. Related Party Transactions:

The Company did not occur any related party consulting or other fees for the three months ended March 31, 2018 or 2017.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

13. Subsequent Event:

On June 26, 2018, the Company entered into a Share Exchange Agreement ("SEA") with Monterey Minerals Inc. ("Monterey") under which a proposed reverse acquisition transaction was completed. Under the terms of the SEA, the 14,438,578 shares of the Company are to be transferred to Monterey in exchange for 14,438,578 shares of Monterey at a per share price of $0.07. Upon closing, Landsdown Holdings Ltd. shareholders will hold approximately 70.94% of the outstanding shares of Monterey. The transaction was completed on July 26, 2018.