

Zenith Exploration Inc.
(formerly 1040442 B.C. Ltd.)
Condensed Interim Financial Statements
Nine Months Ended April 30, 2018

(Unaudited – Prepared by Management)

Expressed in Canadian Dollars

Zenith Exploration Inc.
(formerly 1040442 B.C. Ltd.)
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	April 30, 2018	July 31, 2017
ASSETS			
Current assets			
Cash		\$ 454,411	\$ -
Amounts receivable	7	2,589	130
		457,000	130
Exploration and evaluation assets	3	332,571	-
TOTAL ASSETS		\$ 789,571	\$ 130
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	7	\$ 20,365	\$ 6,357
Loans payable	4, 6	10,841	2,493
TOTAL LIABILITIES		31,206	8,850
SHAREHOLDERS' EQUITY			
Share capital	5	821,577	7,932
Deficit		(63,212)	(16,652)
TOTAL SHAREHOLDERS' EQUITY		758,365	(8,720)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 789,571	\$ 130

Nature and continuance of operations (Note 1)

Approved by the board of directors and authorized for issue on June 20, 2018:

"Brent Hahn"

Brent Hahn, Director

"Barry Hartley"

Barry Hartley, Director

Zenith Exploration Inc.**(formerly 1040442 B.C. Ltd.)**

Condensed Interim Statements of Loss and Comprehensive Loss

For the nine months ended April 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

	For Three Months Ended		For Nine Months Ended	
	April 30, 2018	April 30, 2017	April 30, 2018	April 30, 2017
Expenses				
Consulting fees	\$ 12,500	\$ -	\$ 20,000	\$ -
Professional fees	5,481	142	14,278	142
Office and miscellaneous	27	-	568	-
Regulatory fees	7,666	-	10,482	-
Transfer agent	-	368	1,956	668
	(25,674)	(510)	(47,284)	(810)
Other Income				
Gain on forgiveness of debt	-	-	724	-
Loss and comprehensive loss	\$ (25,674)	\$ (510)	\$ (46,560)	\$ (810)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	24,511,601	396,601	13,456,436	396,601

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Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Notes	Share capital		Deficit	Total
		Number of shares	Amount		
Balance at July 31, 2016		396,601	\$ 7,932	\$ (10,682)	\$ (2,750)
Loss for the period		-	-	(810)	(810)
Balance at April 30, 2017		396,601	7,932	(11,492)	(3,560)
Balance at July 31, 2017		396,601	\$ 7,932	\$ (16,652)	\$ (8,720)
Issuance of common shares for property	3,5	15,000,000	300,000	-	300,000
Issuance of common shares for cash	5	9,115,000	516,500	-	516,500
Shares issuance costs	5	-	(2,855)	-	(2,855)
Loss for the period		-	-	(46,560)	(46,560)
Balance at April 30, 2018		24,511,601	\$ 821,577	\$ (63,212)	\$ 758,365

See accompanying notes to the condensed interim financial statements

Zenith Exploration Inc.
(formerly 1040442 B.C. Ltd.)

Condensed Interim Statements of Cash Flows
For the nine months ended April 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

	April 30, 2018	April 30, 2017
Operating activities		
Loss for the period	\$ (46,560)	\$ (810)
Items not involving cash:		
Gain on forgiveness of debt	(724)	-
Changes in non-cash working capital items:		
Amounts receivable	(2,459)	-
Accounts payable and accrued liabilities	14,553	810
Net cash flows used in operating activities	(35,190)	-
Investing activities		
Exploration and evaluation asset	(32,571)	-
Net cash flows from investing activities	(32,571)	-
Financing activities		
Proceeds on issuance of common shares, net of share issuance cost	513,645	-
Loans from related parties	8,527	-
Net cash flows from financing activities	522,172	-
Change in cash	454,411	-
Cash, beginning	-	-
Cash, ending	\$ 454,411	\$ -
Non-cash activities		
Issuance of common shares for property	\$ 300,000	-

Zenith Exploration Inc.
(formerly 1040442 B.C. Ltd.)

Notes to the Condensed Interim Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the nine months ended April 30, 2018 and 2017

1. Nature and continuance of operations

Zenith Exploration Inc. (formerly 1040442 B.C. Ltd.) (the "Company") was incorporated on June 19, 2015, under the laws of the province of British Columbia, Canada. On October 4, 2017, the Company changed its name to Zenith Exploration Inc. The Company is a resource exploration company that is acquiring and exploring mineral properties.

The head office, principal address, records office and registered address of the Company are located at 1080 - 789 West Pender Street, Vancouver BC.

These condensed interim financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At April 30, 2018, the Company had not yet achieved profitable operations, had accumulated losses of \$63,212 since its inception, and has a working capital of \$425,794 (July 31, 2017 - \$8,720 deficiency). 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. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or profits from its business activities.

2. Significant accounting policies

Basis of presentation

These unaudited condensed interim financial statements were approved and authorized for issue on June 20, 2018, by the directors of the Company.

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Certain information and note disclosures normally included in the audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. As a result, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2017.

The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

New accounting policy

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The carrying value of equipment is reviewed for indications of impairment at each reporting date. When impairment indicators exist, the asset's recoverable amount is estimated. If it is

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2. Significant accounting policies (continued)

determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is made with a charge to operations.

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Future and Recently Adopted Accounting Standards

The Company is assessing the impact of this new standard but does not expect it to have a significant effect on the financial statements. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

The IASB issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9") replaces IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The new standard also requires a single impairment method to be used, provides additional guidance on the classification and measurement of financial liabilities, and provides a new general hedge accounting standard. During the period ended April 30, 2018, the company adopted IFRS 9 and the adoption of IFRS 9 did not have a material impact on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Exploration and evaluation assets

Scotch Creek Property

On November 14, 2017, the Company entered into a definitive agreement to purchase eight (8) mineral claims covering 1,384.12 hectares comprising the Scotch Creek Property in the Kamloops Mining Division of British Columbia. In connection with Scotch Creek Property Agreement, the Company and Vendors have also executed a royalty deed agreement pursuant to the terms and consideration of which the Vendors shall receive a net smelter return royalty of 2% from the Company. Two directors of the Company are vendors of the property.

In consideration for a 100% of undivided interest in the property, the Company issued 15,000,000 common shares for total consideration of \$300,000 (Note 6).

Lac Matchl Property

On December 12, 2017, the Company entered into an option agreement with Doctors Investment Group Ltd ("Optionor"). Optionor grants the Company the sole and exclusive option to acquire a 100% right, title and interest in and to the property, which is located in the Province of Quebec on the terms set out herein. In order to exercise the Option and to maintain the option in good standing, the Company must:

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3. Exploration and evaluation assets (continued)

- (a) Pay to Optionor:
 - (i) \$20,000 in cash upon the execution of this agreement (paid);
 - (ii) an additional \$10,000 in cash on or before the date that is twelve (12) months after the Effective Date ("Effective Date" means the date of the Final Exchange Bulletin giving notice of the approval by the Exchange of the listing of the Shares on the facilities of the Exchange and the acceptance by the Exchange of this option agreement and the transactions contemplated by this agreement);
 - (iii) an additional \$25,000 in cash on or before the date that is twelve-four (24) months after the Effective Date;
 - (iv) an additional \$250,000 in cash on or before the date that is twenty-four (24) months after the Effective Date (collectively, the "Option Payments")

- (b) issue and deliver to Optionor:
 - (i) 200,000 Shares within five (5) business days of the Effective Date;
 - (ii) 100,000 Shares on or before the date that is six (6) months after the Effective Date;
 - (iii) 500,000 Shares on or before the date that is twelve (12) months after the Effective Date;
 - (iv) 750,000 Shares on or before the date that is twenty-four (24) months after the Effective Date (collectively, the "Share Issuance"); and

- (c) incur expenditure on the property as follows:
 - (i) \$250,000 on or before the date that is fourteen (14) months after the Effective Date;
 - (ii) \$750,000 (\$1,000,000 total) on or before the date that is twenty-eight (28) months after Effective Date (collectively, the "Property Expenditures").

In the event that the Effective Date is later than June 30, 2018, the Company will pay the Optionor an additional \$25,000 on or before July 3, 2018.

The Company shall maintain in good standing the claims or other interests comprising the property by the doing and filing of assessment work or the making of payments in lieu.

The following is the description of the Company's exploration and evaluation assets, and related expenditure incurred for the nine months ended April 30, 2018.

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3. Exploration and evaluation assets (continued)

	Scotch Creek	Lac Matchl	Total
Balance, beginning of period	\$ -	\$ -	\$ -
Property acquisition costs			
Acquisition cost - cash	-	20,000	20,000
Acquisition cost - issuance of 15,000,000 shares	300,000	-	300,000
	300,000	20,000	320,000
Costs incurred during period:			
Administration	28	180	208
Geological consulting	7,500	4,552	12,052
Travel and accommodation	311	-	311
	7,839	4,732	12,571
Balance, end of period	\$ 307,839	\$ 24,732	\$ 332,571

4. Loans payable

During the nine months ended April 30, 2018, an unsecured, non-interest-bearing loan in the amount of \$179 from a company controlled by a former director of the Company was forgiven.

During the nine months ended April 30, 2018, the Company received an unsecured, non-interest-bearing loan in the amount of \$7,614 from the directors of the Company. As at April 30, 2018, the Company is indebted to this director in an amount of \$9,928 (July 31, 2017 – \$2,314). The loan is due on demand (Note 6).

During the nine months ended April 30, 2018, the Company received an unsecured, non-interest-bearing loan in the amount of \$913 from a director of the Company. As at April 30, 2018, the Company is indebted to this director in an amount of \$913 (July 31, 2017 – \$Nil). The loan is due on demand (Note 6).

5. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At April 30, 2018, there were 24,511,601 issued and fully paid common shares.

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5. Share capital (continued)

Share issuances

On November 14, 2017, the Company entered into a definitive agreement to purchase eight (8) mineral claims covering 1,384.12 hectares comprising the Scotch Creek Property in the Kamloops Mining Division of British Columbia. In consideration for a 100% of undivided interest in the property, the Company issued 15,000,000 common shares for total consideration of \$300,000 (Note 3 & 6).

On December 4, 2017, the Company completed a private placement comprised of 4,000,000 common shares of the Company at a price of \$0.005 per share for total proceeds of \$20,000. The shares were purchased by two directors of the Company. The Company recognized \$1,328 as share issuance costs (Note 6).

On December 5, 2017, the Company completed a private placement comprised of 300,000 common shares of the Company at a price of \$0.05 per share for total proceeds of \$15,000.

On January 31, 2018, the Company completed a private placement comprised of 4,815,000 common shares of the Company at a price of \$0.10 per share for total proceeds of \$481,500. Of 4,815,000 common shares issued, 1,000,000 shares were purchased by two directors of the Company. The Company recognized \$1,527 as share issuance costs (Note 6).

Stock options

The Company has not issued any stock options and no stock options are outstanding as at April 30, 2018.

Warrants

The Company has not issued any warrants and no warrants are outstanding as at April 30, 2018.

6. Related parties

On November 14, 2017, the Company entered into a definitive agreement to purchase eight (8) mineral claims covering 1,384.12 hectares comprising the Scotch Creek Property. In connection with Scotch Creek Property Agreement, the Company and vendors have also executed a royalty deed agreement pursuant to the terms and consideration of which the vendors shall receive a net smelter return royalty of 2% from the Company. Two directors of the Company are vendors of the property. The Company issued 15,000,000 common shares for total consideration of \$300,000 to the two directors (Note 3 & 5).

On December 4, 2017, the Company completed a private placement comprised of 4,000,000 common shares of the Company at a price of \$0.005 per share for total proceeds of \$20,000. The shares were purchased by two directors of the Company (Note 5).

On January 31, 2018, the Company completed a private placement comprised of 4,815,000 common shares of the Company at a price of \$0.10 per share for total proceeds of \$481,500. Of 4,815,000 common shares issued, 1,000,000 shares were purchased by two directors of the Company (Note 5).

As at April 30, 2018, the Company received loans in the aggregate amount of \$10,841 (July 31, 2017 - \$2,493) from two directors of the Company. The loans are unsecured, non-interest-bearing and payable on demand (Note 4).