WALCOTT RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

MARCH 31, 2019

(Unaudited – Prepared by Management)

WALCOTT RESOURCES LTD.
Condensed Interim Statement of Financial Position
(Expressed in Canadian dollars)

As at	Notes		March 31, 2019 (Unaudited)		September 30, 2018 (Audited)
ASSETS					
Current Assets					
Cash	9		3,167	$	65,545
Taxes recoverable		$	46		4,403
Prepaid expenses	10(ii)		10,000		10,000
Total current assets			13,213		79,948
Exploration and evaluation asset	5		173,484		123,484
Total assets		$	186,697	$	203,432
EQUITY AND LIABILITIES					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	44,543	$	21,065
Total liabilities			44,543		21,065
Equity					
Share capital , net of issuance costs	6		212,800		202,800
Deficit			(70,646)		(20,433)
Total equity			142,154		182,367
Total equity and liabilities		$	186,697	$	203,432

Nature of Operations and Going Concern (Note 1)
Commitments (Note 10)

Approved and authorized for issue on behalf of the Board:

"Marshall Farris" Director

"Tracy Mabone" Director

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

WALCOTT RESOURCES LTD.
Condensed Interim Statement of Comprehensive Loss
For the six month period ended March 31, 2019 and March 31, 2018
(Expressed in Canadian dollars)

	Notes		For the Three Months Ended March 31		For the Six Months Ended March 31	
			2019	**2018**	**2019**	**2018**
Expenses						
Professional Fees		$	979	-	26,044	-
Marketing			-	-	3,000	-
Filing Fees			16,215	-	16,215	-
Office & miscellaneous			47	-	741	-
Net loss and comprehensive loss		**$**	**(17,241)**	**-**	**(46,000)**	**-**
Weighted average number of common shares outstanding			8,340,000	8,020,000	8,280,000	8,020,000
Basic and diluted net loss per share		$	(0.00)	(0.00)	(0.01)	(0.00)

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

WALCOTT RESOURCES LTD.
Condensed Interim Statement of Changes in Equity
For the six month period ended March 31, 2019 and March 31, 2018
(Expressed in Canadian dollars)

	Notes	Number of Shares		Share Capital		Deficit		Total
Balance, December 11, 2017		**-**	**$**	**-**	**$**	**-**	**$**	**-**
Shares issued to founders		8,020,000		197,000		-		-
Balance, March 31, 2018		**8,020,000**	**$**	**197,000**	**$**	**-**	**$**	**197,000**
Balance, September 30, 2018		8,220,000		202,800		(20,433)		182,367
Comprehensive loss		-		-		(28,759)		(28,759)
Balance, December 31, 2018		**8,220,000**	**$**	**202,800**	**$**	**(49,192)**	**$**	**153,608**
Balance March 31, 2019		**8,420,000**	**$**	**212,800**	**$**	**(80,646)**	**$**	**132,154**
Comprehensive loss						**(17,241)**		**(17,241)**
						(97,887)	**$**	**114,913**

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

WALCOTT RESOURCES LTD.
Condensed Interim Interim Statement of Cash Flows
For the six month periods ended March 31, 2019 and March 31, 2018
(Expressed in Canadian dollars)

		March 31, 2019 (Unaudited)		March 31, 2018 (Unaudited)
Operating activities				
Net loss	$	(46,000)	$	-
Changes in cash and non-cash working capital balances:				
Increase in taxes recoverable		144		-
Increase in accounts payable and accrued liabilities		23,478		-
Net cash used in operating activities		(22,378)		-
Investing activities				
Mineral property acquisition payments		(40,000)		-
Exploration and evaluation asset expenditures		-		-
Net cash used in investing activities		(40,000)		-
Financing activities				
Issuance of share capital				10,000
Shareholders' loan		21,000		
Net cash provided by financing activities		21,000		10,000
Net change in cash		(62,378)		-
Cash, beginning of period		65,545		10,000
Cash, end of period	$	3,167	$	10,000

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

1. Nature of Operations and Going Concern

Walcott Resources Ltd. ("the Company") was incorporated on December 11, 2017 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 1315 Moody Avenue, North Vancouver, BC British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at March 31, 2019, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time.

The Company has not generated revenue to date and has a deficit of $70,646 as at March 31, 2019, which has been funded by the issuance of equity and by shareholder loans. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. Significant Accounting Policies

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These condensed interim financial statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim financial statements be read in conjunction with the most recent audited annual financial statements of the Company for the period from incorporation on December 11, 2017 to September 30, 2018.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on May 29, 2019.

b) Basis of presentation

The condensed interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c) The accounting policies followed by the Company are set out in Note 3 to the annual financial statements for September 30, 2018 and have been consistently followed in the preparation of these condensed interim financial statements, except as described in Note 4 below.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of estimates and judgments during the three months ended March 31, 2019 as compared to the September 30, 2018 year end.

4. NEW ACCOUNTING STANDARDS

<u>a) Adoption of new accounting standards:</u>

On October 1, 2018, the Company adopted a new accounting standard IFRS 9 *Financial Instruments which* replaces IAS 39 – Financial Instruments: Recognition and Measurement and is intended to reduce the complexity in the classification and measurement of financial instruments. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The Company has assessed the classification and measurement of its financial assets and financial liabilities in accordance with the new measurement categories under IFRS 9. Classification and measurement of the Company's assets and liabilities remained the same.

On October 1, 2018, the Company adopted a new accounting standard IFRS 15 – *Revenue from Contracts with Customers,* effective for annual periods beginning on or after January 1, 2018 using the retrospective method of adoption. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customer. The Company generates revenue through licensing and lease agreements with a sole customer. The Company has reviewed the guidance found in IFRS 15 and determined that there are no changes to the Company's financial statements as the Company is not generating any revenues yet.

<u>b) New accounting standards issued but not yet effective:</u>

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

(Expressed in Canadian dollars)

New standard IFRS 16 Leases
IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The Company does not expect the adoption of these standards and interpretations to have significant impact to the financial statements.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after July 1, 2017, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list above.

5. EXPLORATION AND EVALUATION ASSET

	Acquisition Costs	Exploration Costs	Total
	$	$	$
Opening balance	-	-	-
Acquisition and exploration costs	45,000	78,484	123,484
Balance, September 30, 2018	45,000	78,484	123,484
Acquisition and exploration costs	-	-	-
Balance, December 31, 2018	45,000	78,484	123,484
Acquisition and exploration costs	50,000	-	40,000
Balance March 31, 2019	**95,000**	**78,484**	**173,484**

Cobalt Hill Property

Pursuant to an option agreement (the "Agreement") dated February 5, 2018, the Company was granted an option to acquire a 100% undivided interest in certain Cobalt Hill mineral claims (the "Property") located in the Trail Creek Mining Division in British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Property by making cash payments totaling $355,000, and issuing a total of 1,100,000 common shares of the Company as follows:

- Upon signing the Agreement – 200,000 common shares (estimated at $10,000 using a share price of $0.05 and issued on September 29, 2018) and $35,000 in cash (paid);
- On or before February 5, 2019 - 200,000 common shares (estimated at $10,000 using a share price

of $0.05 and issued on February 5, 2019) and $40,000 in cash (paid);
- On or before February 5, 2020 - 300,000 common shares and $80,000 in cash;
- On or before February 5, 2021 - 400,000 common shares and $200,000 in cash.

The optionor will retain a 1.5% Net Smelter Returns royalty on the Property.

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

As at March 31, 2019, the Company did not have any shares held in escrow.

c) Issued and Outstanding as at March 31, 2019: 8,420,000 common shares.

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

i) Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). During the three month period ended March 31, 2019, the Company accepted loans from two directors of the Company in the aggregate amount of $21,000. Such loans are non-interest bearing with no specific terms of repayment.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject. The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at March 31, 2019 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	3,167	-	-	3,167

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at December 31, 2018 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. COMMITMENTS

ii) The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

iii) The Company entered into an agency agreement with PI Financial Corp. (the "Agent") whereby the Agent has agreed to raise on commercially reasonable efforts up to $350,000 in the initial public offering ("IPO") by the issuance of up to 3,500,000 common shares of the Company at a price of $0.10 per common share.

    Pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a commission of 9% of the gross proceeds of the IPO on the closing of the IPO. The Company has also agreed to pay to the Agent a corporate finance fee of $20,000 plus GST of $1,000 for a total of $21,000. In addition, the Company will pay the Agent's legal fees incurred, and any other reasonable expenses of the Agent pursuant to the IPO. The Company has also agreed to grant to the Agent options (the "Agent's Option") which will entitle the Agent to purchase up to 9% of the common shares sold under the IPO, at $0.15 per share for 24 months from the listing date. As at March 31, 2019, the Company had paid $10,000 plus GST of $500 in corporate finance fee and $10,000 in future legal expenses (included in prepaid expenses at March 31, 2019) for a total amount of $20,500.

iv) The Company has agreed to repay to two directors of the Company loans in the aggregate amount of $21,000. Such loans are non-interest bearing with no specific terms of repayment.

11. SUBSEQUENT EVENT

N/A