



HINTERLAND METALS INC.

**HINTERLAND METALS INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**Nine months ended September 30, 2017**

*The attached condensed interim financial statements have been prepared by the management of Hinterland Metals Inc., and have not been reviewed by an auditor.*

**HINTERLAND METALS INC.**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited, in Canadian dollars)

	September 30, 2017	December 31, 2016
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	58,197	78,729
Listed shares	96,931	17,500
Sales tax receivable and other receivables	7,095	44,989
Mining taxes credits receivable	45,485	45,485
Prepaid expenses	2,750	5,536
	210,458	192,239
<b>Non-current</b>		
Exploration and evaluation assets (Note 5)	545,801	573,149
<b>Total assets</b>	<b>756,259</b>	<b>765,388</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	117,708	96,338
<b>Total liabilities</b>	<b>117,708</b>	<b>96,338</b>
<b>EQUITY</b>		
Capital stock (Note 6)	5,469,130	5,469,130
Warrants	68,750	68,750
Contributed surplus	1,211,017	1,152,120
Deficit	(6,110,346)	(6,020,950)
<b>Total equity</b>	<b>638,551</b>	<b>669,050</b>
<b>Total equity and liabilities</b>	<b>756,259</b>	<b>765,388</b>

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

**HINTERLAND METALS INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
(Unaudited, in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Expenses</b>				
Management and consulting fees	9,900	9,900	29,700	29,700
Investor and shareholder relation expenses	8,783	11,048	28,985	28,576
Professional fees	4,415	34,263	35,597	77,673
Traveling and promotion	924	1,294	9,209	7,630
Office expenses	11,230	5,313	18,411	17,179
Exploration	-	9,804	6,900	14,433
Stock-based compensation	-	-	52,353	20,880
Recovery of bad debt	-	-	(3,086)	-
Gain on sale of exploration and evaluation assets	(20,550)	-	(136,887)	(68,750)
Write-off of exploration and evaluation assets (Note 5)	57,295	-	57,295	-
	71,997	71,622	98,497	127,321
Operating loss	(71,997)	(71,622)	(98,497)	(127,321)
Change in value of listed shares	(22,794)	(5,000)	9,081	6,250
<b>Net loss and comprehensive income loss</b>	<b>(94,791)</b>	<b>(76,622)</b>	<b>(89,396)</b>	<b>(121,071)</b>
Basic and diluted net loss per share	-	-	-	-
Weighted-average number of common shares	42,269,614	32,924,614	42,269,614	34,274,468

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

**HINTERLAND METALS INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited, in Canadian dollars)

	Number of common shares issued and fully paid	Capital stock	Warrants	Contributed surplus	Deficit	Total equity
<b>Balance at January 1, 2017</b>	42,269,617	5,469,130	68,750	1,152,120	(6,020,950)	669,050
Net loss and comprehensive loss	-	-	-	-	(89,396)	(89,396)
Stock-based compensation	-	-	-	58,897	-	58,897
<b>Balance at September 30, 2017</b>	<b>42,269,617</b>	<b>5,469,130</b>	<b>68,750</b>	<b>1,211,017</b>	<b>(6,110,346)</b>	<b>638,551</b>

	Number of common shares issued and fully paid	Capital stock	Warrants	Contributed surplus	Deficit	Total equity
<b>Balance at January 1, 2016</b>	32,924,614	5,146,141	20,800	1,118,336	(5,861,422)	423,855
Net loss and comprehensive loss	-	-	-	-	(121,071)	(121,071)
Private placement	8,670,000	385,550	47,950	-	-	433,500
Broker shares	175,000	7,875	-	-	-	7,875
Broker warrants	-	(12,904)	-	12,904	-	-
Stock-based compensation	-	-	-	20,880	-	20,880
Share issue expense	-	(72,531)	-	-	-	(72,531)
<b>Balance at September 30, 2016</b>	<b>41,769,614</b>	<b>5,454,131</b>	<b>68,750</b>	<b>1,152,120</b>	<b>(5,982,493)</b>	<b>692,508</b>

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

**HINTERLAND METALS INC.****STATEMENTS OF CASH FLOW**

(Unaudited, in Canadian dollars)

	<b>Nine months ended</b>	
	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net income (loss)	(89,396)	(121,071)
Items not involving cash		
Stock-based compensation	52,353	20,880
Change in value of listed shares	(9,081)	(6,250)
Accrued mining taxes credits receivable	-	(4,284)
Gain on sale of exploration and evaluation assets	(136,887)	(68,750)
Write-off of exploration and evaluation assets	57,295	-
	<b>(125,716)</b>	<b>(179,475)</b>
Changes in operating assets and liabilities		
Sales tax receivable and other receivables	47,269	(31,897)
Prepaid expenses	2,786	(3,827)
Accounts payable and accrued liabilities	(6,100)	62
<b>Cash flow from operating activities</b>	<b>(81,761)</b>	<b>(215,137)</b>
<b>Financing activities</b>		
Private placement	-	433,500
Share issue expenses	-	(64,656)
<b>Cash flow from financing activities</b>	<b>-</b>	<b>368,844</b>
<b>Investing activities</b>		
Disposal of listed shares	10,400	-
Acquisition of exploration and evaluation assets	(34,871)	(92,725)
Disposal of exploration and evaluation assets	77,700	50,000
Mining taxes credits and government grant cashed	8,000	3,338
<b>Cash flow from investing activities</b>	<b>61,229</b>	<b>(39,387)</b>
Net change in cash	(20,532)	114,320
Cash, beginning of period	78,729	43,931
<b>Cash, end of period</b>	<b>58,197</b>	<b>158,251</b>
<b>Supplemental disclosure of cash flow information</b>		
Exploration and evaluation assets included in accounts payable and accrued liabilities	32,237	29,228
Broker warrants	-	12,904
Broker shares	-	7,875
Stock-based compensation included in exploration and evaluation expenses	6,544	-
Listed shares received as consideration for disposal of exploration and evaluation assets	80,750	18,750

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

# HINTERLAND METALS INC.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Nine months ended September 30, 2017

(Unaudited, in Canadian dollars)

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### 1. GENERAL INFORMATION AND NATURE OF OPERATIONS

Hinterland Metals Inc. (the "Company"), incorporated under the Canada Business Corporations Act, is a junior mining exploration company operating in Canada. The address of registered office is 3081, Third Avenue, Whitehorse, Yukon, Y1A 4Z7. The principal place of business is 1740, chemin Sullivan, suite 1100, Val-d'Or, Québec, J9P 7H1. The Company's shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol HMI.

### 2. GOING CONCERN ASSUMPTION

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at September 30, 2017, the Company has a deficit of \$6,110,346 (\$6,020,950 as at December 31, 2016). These material uncertainties cast a significant doubt regarding the Company's going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

### 3. BASIS OF PREPARATION

These condensed interim financial statements (the "Financial Statements") have been prepared in accordance with *International Financial reporting Standards* ("IFRS") issued by the *International Accounting Standards Board* ("IASB") and interpretations issued by the *International Financial Reporting Interpretations Committee* ("IFRIC"), including *International Accounting Standard* ("IAS") 34, *Interim Financial Reporting*. The Financial Statements should be read in conjunction with the annual financial statements as at December 31, 2016, which have been prepared in accordance with IFRS. The accounting policies, methods of computation and presentation applied in the Financial Statements are consistent with those of the previous financial year. The Board of Directors has approved the Financial Statements on November 27, 2017.

### 4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the Financial Statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in the most recent annual financial statements for the year ended December 31, 2016.

**HINTERLAND METALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

Nine months ended September 30, 2017

(Unaudited, in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS**

	Mining rights	Exploration and evaluation expenses	Total
	\$	\$	\$
Quebec	124,908	404,724	529,632
New Brunswick	3,420	12,749	16,169
<b>Balance, September 30, 2017</b>	<b>128,328</b>	<b>417,473</b>	<b>545,801</b>

	Mining rights	Exploration and evaluation expenses	Total
	\$	\$	\$
Quebec	140,018	429,211	569,229
New Brunswick	3,420	500	3,920
<b>Balance, December 31, 2016</b>	<b>143,438</b>	<b>429,711</b>	<b>573,149</b>

**Details of exploration and evaluation assets for the nine months ended September 30, 2017**

Areas of interest	Quebec	Ontario	New Brunswick	Total
	\$	\$	\$	\$
Balance, January 1, 2017	569,229	-	3,920	573,149
Acquisitions of mining rights:				
Staking and maintenance fees	13,141	27,751	-	40,892
Exploration and evaluation expenses:				
Surface exploration	1,200	-	20,249	21,449
Stock-based compensation	6,544	-	-	6,544
Government grant	-	-	(8,000)	(8,000)
	7,744	-	12,249	19,993
Disposal	(3,187)	(27,751)	-	(30,938)
Write off	(57,295)	-	-	(57,295)
<b>Balance, September 30, 2017</b>	<b>529,632</b>	<b>-</b>	<b>16,169</b>	<b>545,801</b>

# HINTERLAND METALS INC.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Nine months ended September 30, 2017

(Unaudited, in Canadian dollars)

### 5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

#### Details of exploration and evaluation assets for the twelve months ended December 31, 2016

Areas of interest	Quebec	New Brunswick	Total
	\$	\$	\$
Balance, January 1, 2016	448,088	-	448,088
Acquisitions of mining rights:			
Staking and maintenance fees	40,820	3,420	44,240
Shares issued to vendors	15,000	-	15,000
	55,820	3,420	59,240
Exploration and evaluation expenses:			
Surface exploration	107,100	500	107,600
Taxes credits	(41,779)	-	(41,779)
	65,321	500	65,821
Net additions for the year	121,141	3,920	125,061
<b>Balance, December 31, 2016</b>	<b>569,229</b>	<b>3,920</b>	<b>573,149</b>

#### QUEBEC

##### a) Chilton Cobalt property

On February 27, 2017, the Company sold a 100% interest in the Chilton Cobalt property to CBLT Inc. ("CBLG") (previously known as Green Swan Capital Corp.) for 150,000 units. Each unit is composed of one share of CBLT and one share purchase warrant exercisable at \$0.10 up to March 3, 2019. The 150,000 shares were valued at \$16,500 (based on the closing price on the day of the Exchange approval). The Company retains a 2% Net Smelter Returns royalty on the property. CBLT may purchase one-half (i.e., 1.0%) of the royalty interest for \$1 million cash.

##### b) Skyfall

In April 2017, the Company staked the Skyfall Gold property located 75 km south of Chapais Quebec in the Urban-Barry Greenstone Belt.

##### c) Troilus

On October 17, 2017, the Company notified Beaufield Resources Inc. that it was not proceeding with the Troilus option and JV agreement signed on October 11, 2016 and wrote off the exploration and evaluation asset for \$33,832.

##### d) Tardif

In September 2017, the Company staked the Tardif property located approximately 50 km north of Quevillon in the Abitibi Region.

##### e) Brexit

Management has decided that there is no longer any point investing in lithium exploration. Accordingly, acquisition and exploration costs of \$23,463 for Brexit were written off as of September 2017.



# HINTERLAND METALS INC.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Nine months ended September 30, 2017

(Unaudited, in Canadian dollars)

### 5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

#### f) Belleterre

On July 2, 2017, the Company entered into a sale and purchase agreement with Australia based Zeus Minerals Corp. ("Zeus") whereby the Company has agreed to sell its 30% interest in the Belleterre property located in the Timiskaming area of Quebec. The consideration is \$21,000 comprised of \$10,500 cash and \$10,500 in fully paid common shares of Zeus calculated using the volume weighted average price of the shares on the Australian Stock Exchange ("ASX") over the 10 trading days prior to the share issuance. Zeus has not yet listed on the ASX. However Zeus settled the share payment by assigning 360,000 shares of Meteoric Resources NL (ASX:MEI) to the Company.

#### ONTARIO

#### g) Gowganda Cobalt property

In March 2017, the Company staked the Gowganda property located 85 km northwest of Cobalt, Ontario. On May 5, 2017, the Company signed an agreement to sell the Gowganda property to CBLT Inc. for \$67,650 cash and 562,500 units valued at \$50,625 (based on the closing price on the day of the Exchange approval). Each unit is composed of one share of CBLT and one share purchase warrant exercisable at \$0.10 up to November 12, 2018. The Company retains a 2% net smelter returns royalty on the property. CBLT may purchase one-half of the royalty interest for \$1 million cash.

#### h) Tak property

On January 11, 2017, the Company sold to Eureka Resources Inc. ("Eureka") its 25% interest in the Tak property located in Yukon for 125,000 shares of Eureka valued at \$12,500.

### 6. CAPITAL STOCK

#### 6.1 Warrants

Warrants outstanding:

Number of shares to be issued	Exercise price	Expiry date
	\$	
900,000	0.10	May 27, 2018
590,000	0.10	June 13, 2018
7,750,000	0.10	August 17, 2018
920,000	0.10	September 7, 2018
<b>10,160,000</b>		

#### 6.2 Broker warrants

Broker warrants outstanding:

Number of shares to be issued	Exercise price	Expiry date
	\$	
343,000	0.05	August 17, 2018
<b>343,000</b>		

# HINTERLAND METALS INC.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Nine months ended September 30, 2017

(Unaudited, in Canadian dollars)

### 6. CAPITAL STOCK (CONT'D)

#### 6.3 Stock options

The Company's incentive stock option plan (the "Plan") was approved in 2004 and renewed by shareholders on June 13, 2017.

On June 15, 2017, the Company granted 1,800,000 stock options to directors and officers at an exercise price of \$0.05 for five years. These options were granted at an exercise price higher than the closing market value of the shares the day preceding the grant date and vest immediately. Total fair value of these options amounts to \$58,897 as stock-based compensation expense, the offsetting credit being recorded in contributed surplus. The assumptions used include a share price at date of grant of \$0.035, an interest rate without risk of 1.15%, an expected life of the options of 5 years, no expected dividend yield, an estimated volatility of 170.8% and results in a fair value per option of \$0.03272. The underlying expected volatility was determined by reference to historical data of the Company's share on the Exchange over the previous 5 years.

A summary of changes in the Company's stock options outstanding and exercisable is presented below:

	Nine months ended September 30, 2017		Year ended December 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
<b>Balance – beginning of period</b>	2,000,000	0.05	631,250	0.64
Granted	1,800,000	0.05	2,400,000	0.05
Expired	-	-	(631,250)	0.64
Forfeited	-	-	(400,000)	0.05
<b>Balance – end of period</b>	<b>3,800,000</b>	<b>0.05</b>	<b>2,000,000</b>	<b>0.05</b>

Stock options outstanding and exercisable:

Number of options outstanding and exercisable	Exercise price	Expiry date
	\$	
2,000,000	0.05	March 31, 2021
1,800,000	0.05	June 15, 2022
<b>3,800,000</b>		