



HINTERLAND METALS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
Nine months ended September 30, 2018

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, 2018	December 31, 2017
	\$	\$
ASSETS		
Current		
Cash	19,813	14,472
Listed shares	104,335	85,764
Sales tax receivable	1,904	3,148
Listed shares receivable	-	1,250
Mining taxes credits receivable	335	50,583
Prepaid expenses	2,750	5,536
	129,137	160,753
Non-current		
Exploration and evaluation assets (Note 5)	495,904	535,722
Total assets	625,041	696,475
LIABILITIES		
Current		
Accounts payable and accrued liabilities	171,133	113,073
Total liabilities	171,133	113,073
EQUITY		
Capital stock (Note 6)	5,469,130	5,469,130
Warrants	68,750	68,750
Contributed surplus	1,211,017	1,211,017
Deficit	(6,294,989)	(6,165,495)
Total equity	453,908	583,402
Total equity and liabilities	625,041	696,475

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		Nine months ended	
	September 30,		September 30	
	2018	2017	2018	2017
	\$	\$	\$	\$
Expenses				
Management and consulting fees	9,900	9,900	29,700	29,700
Investor and shareholder relation expenses	7,899	8,783	33,147	28,985
Professional fees	3,050	4,415	40,208	35,597
Traveling	-	924	6,657	9,209
Office expenses	5,632	11,230	16,223	18,411
Exploration	222	-	7,881	6,900
Stock-based compensation	-	-	-	52,353
Recovery of bad debt	-	-	-	(3,086)
Gain on sale of exploration and evaluation assets	(83,647)	(20,550)	(83,647)	(136,887)
Write-off of exploration and evaluation assets (Note 5)	34,467	57,295	34,467	57,295
	(22,477)	71,997	84,636	98,497
Operating gain (loss)	22,477	(71,997)	(84,636)	(98,497)
Change in value of listed shares	(13,166)	(22,794)	(44,858)	9,081
Net income (loss) and comprehensive income (loss)	9,311	(94,791)	(129,494)	(89,396)
Basic and diluted net loss per share	-	(0.002)	(0.003)	(0.002)
Weighted-average number of common shares	42,269,614	42,269,614	42,269,614	42,269,614

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
		\$	\$	\$	\$	\$
Balance at January 1, 2018	42,269,614	5,469,130	68,750	1,211,017	(6,165,495)	583,402
Net loss and comprehensive loss	-	-	-	-	(129,494)	(129,494)
Balance at September 30, 2018	42,269,614	5,469,130	68,750	1,211,017	(6,294,989)	453,908
Balance at January 1, 2017	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
Balance at September 30, 2017	42,269,617	5,469,130	68,750	1,211,017	(6,110,346)	638,551

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

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

(Unaudited, in Canadian dollars)

	Nine months ended	
	September 30,	
	2018	2017
	\$	\$
Operating activities		
Net income (loss)	(129,494)	(89,396)
Items not involving cash		
Stock-based compensation	-	52,353
Change in value of listed shares	44,858	(9,081)
Gain on sale of exploration and evaluation assets	(83,647)	(136,887)
Write-off of exploration and evaluation assets	34,467	57,295
	(133,816)	(125,716)
Changes in operating assets and liabilities		
Sales tax receivable and other receivables	1,244	47,269
Prepaid expenses	2,786	2,786
Accounts payable and accrued liabilities	62,234	(6,100)
Cash flow from operating activities	(67,552)	(81,761)
Investing activities		
Disposal of listed shares	12,290	10,400
Acquisition of exploration and evaluation assets	(14,645)	(34,871)
Disposal of exploration and evaluation assets	25,000	77,700
Mining taxes credits cashed	50,248	8,000
Cash flow from investing activities	72,893	61,229
Net change in cash	5,341	(20,532)
Cash, beginning of period	14,472	78,729
Cash, end of period	19,813	58,197
Supplemental disclosure of cash flow information		
Exploration and evaluation assets included in accounts payable and accrued liabilities	23,836	32,237
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

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, 2018

(Unaudited, in Canadian dollars)

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, 2018, the Company has a deficit of \$6,294,989 (\$6,165,495 as at December 31, 2017). 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, 2017, 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 12, 2018.

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, 2017.

HINTERLAND METALS INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Nine months ended September 30, 2018

(Unaudited, in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Mining rights	Exploration and evaluation expenses	Total
	\$	\$	\$
Quebec	96,142	399,762	495,904
Balance, September 30, 2018	96,142	399,762	495,904

	Mining rights	Exploration and evaluation expenses	Total
	\$	\$	\$
Quebec	130,938	404,784	535,722
Balance, December 31, 2017	130,938	404,784	535,722

Details of exploration and evaluation assets for the nine months ended September 30, 2018

Areas of interest	Quebec	Total
	\$	\$
Balance, January 1, 2018	535,722	535,722
Acquisitions of mining rights:		
Staking and maintenance fees	10,002	10,002
Disposal	(15,353)	(15,353)
Write-off	(34,467)	(34,467)
Balance, September 30, 2018	495,904	495,904

Details of exploration and evaluation assets for 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	16,575	27,751	-	44,326
Exploration and evaluation expenses:				
Surface exploration	6,842	-	20,249	27,091
Stock-based compensation	6,544	-	-	6,544
Mining tax credits and government grants	(2,986)	-	(10,112)	(13,098)
	10,400	-	10,137	20,537
Net additions for the year	26,975	27,751	10,137	64,863
Disposal	(3,187)	(27,751)	-	(30,938)
Write-off	(57,295)	-	(14,057)	(71,352)
Balance, December 31, 2017	535,722	-	-	535,722

5.1 Skyfall Gold Project

On July 9, 2018, the Company signed an agreement with Seahawk Ventures Ltd. ("Seahawk") whereby Seahawk has been granted an option to earn a 100% interest in Skyfall. Under the terms of the agreement, Seahawk will pay \$100,000 in cash (\$25,000 received), issue 800,000 shares (200,000 shares issued received, valued at \$74,000) and complete \$800,000 of work over a three-year period. The Company will retain a 2% Net Smelter Returns royalty, and Seahawk will have a right of first refusal in the event that the Company sells the royalty.

HINTERLAND METALS INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Nine months ended September 30, 2018

(Unaudited, in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

5.2 Eeyou Istchee-James Bay Gold, Quebec

In August 2018, Hinterland allowed the claims making up a portfolio of four properties located in the Eeyou Istchee-James Bay area of Quebec to lapse. Accordingly, the \$34,467 of expenses related to these properties were written off.

5.3 Destiny Gold, Quebec

On May 15, 2018, Hinterland signed an earn-in Agreement with Alto Ventures Ltd., whereby Hinterland was to earn an interest in Alto's Destiny property located approximately 75 kilometres north of Val-d'Or, Quebec. On June 19, 2018, Hinterland terminated the agreement due to poor financial market conditions.

6. CAPITAL STOCK

6.1 Warrants

Warrants outstanding:

Number of shares to be issued	Exercise price \$	Extended expiry date
900,000	0.10	May 27, 2019 ¹⁾
590,000	0.10	June 13, 2019 ¹⁾
7,750,000	0.10	August 17, 2021 ¹⁾
920,000	0.10	September 7, 2021 ¹⁾
10,160,000		

1) The Exchange approved the extension for these warrants in May 2018.

6.2 Broker warrants

Changes in the Corporation's number of outstanding broker warrants were as follow:

	Nine months ended September 30, 2018		2017	
	Number of warrants	Amount \$	Number of warrants	Amount \$
Balance, beginning of period	343,000	12,904	343,000	12,904
Expired	(343,000)	(12,904)	-	-
Balance, end of period	-	-	343,000	12,904

HINTERLAND METALS INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Nine months ended September 30, 2018

(Unaudited, in Canadian dollars)

6. CAPITAL STOCK

6.3 Stock options

The Company's incentive stock option plan was approved in 2004 and renewed by shareholders on May 23, 2018, subject to the Exchange approval.

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
3,800,000		

7. SUBSEQUENT EVENTS

7.1 Fenelon

The Company acquired a 100% interest in the 23-claim Fenelon property in Quebec from an arm's length vendor for 250,000 shares. Regulatory approval for this transaction was received on October 15, 2018.

7.2 Management contract

In November 2018, the Company entered into consulting agreements with senior management, which provides that in the event of a termination without cause or of a change of control, a compensation equivalent to between 12 to 18 months of consulting fees will be paid.