



CLEGHORN MINERALS LTD.

Interim condensed financial statements (unaudited)

For the three-month periods ended on June 30, 2017 and 2016.

CLEGHORN MINERALS LTD.

INTERIM CONDENSED FINANCIAL STATEMENTS

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Notice to Reader

The accompanying unaudited interim condensed financial statements of Cleghorn Minerals LTD. (the "Company") for the three-month periods ended on June 30, 2017 and 2016 have been prepared by the management and are its responsibility. These unaudited interim condensed financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed financial statements have not been reviewed by the Company's auditors.

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2017 and March 31, 2017

(Unaudited - in Canadian dollars)

	Notes	June 30, 2017	March 31, 2017
		\$	\$
ASSETS			
Current			
Cash	5	747,080	768,259
Accounts receivable		5,000	5,000
Sales taxes recoverable		6,440	5,048
Prepaid expenses		3,900	5,200
		<u>762,420</u>	<u>783,507</u>
Non-current			
Exploration and evaluation assets	6	<u>435,018</u>	<u>418,132</u>
Total assets		<u><u>1,197,438</u></u>	<u><u>1,201,639</u></u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities		36,815	13,450
Liability component related to the flow-through units		<u>188,170</u>	<u>197,287</u>
Total liabilities		<u>224,985</u>	<u>210,737</u>
EQUITY			
Share capital	7	1,680,797	1,680,797
Contributed surplus	8	196,929	196,929
Warrants	7	250,449	250,449
Deficit		<u>(1,155,722)</u>	<u>(1,137,273)</u>
Total equity		<u>972,453</u>	<u>990,902</u>
Total liabilities and equity		<u><u>1,197,438</u></u>	<u><u>1,201,639</u></u>

Going Concern (Note 2)

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

On behalf of the Board of Directors,

"Glenn J. Mullan"

(signed Glenn J. Mullan)

Director

"Dr. C. Jens Zinke"

(signed C. Jens Zinke)

Director

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three-month periods ended on June 30, 2017 and 2016

(Unaudited - in Canadian dollars)

	June 30, 2017	June 30, 2016
	\$	\$
Operating expenses		
Audit and accounting fees	15,820	7,280
Legal fees	2,989	825
Consultant fees	99	-
Regulatory and transfer agent fees	5,274	7,356
Investor relation fees	2,769	-
Office expenses	467	-
Expenses related to potential Qualifying Transaction	-	1,048
Operating loss	27,418	16,509
Other expenses (income)		
Interest expense	148	58
Reversal of liability component related to the flow-through units	(9,117)	-
	(8,969)	58
Net loss and comprehensive loss	18,449	16,567
Basic and diluted net loss per common share	0.001	0.006
Weighted average number of common shares outstanding	20,258,618	2,800,500

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

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended on June 30, 2017 and 2016

(Unaudited - in Canadian dollars)

	Notes	Share capital		Warrants	Contributed Surplus	Deficit	Total
		Number	\$	\$	\$	\$	\$
Balance on April 1st, 2016		4,400,500	880,100	-	115,327	(870,235)	125,192
Net loss and comprehensive loss		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,567)</u>	<u>(16,567)</u>
Balance on June 30, 2016		<u>4,400,500</u>	<u>880,100</u>	<u>-</u>	<u>115,327</u>	<u>(886,802)</u>	<u>108,625</u>
Balance on April 1st, 2017		20,258,618	1,680,797	250,449	196,929	(1,137,273)	990,902
Net loss and comprehensive loss		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,449)</u>	<u>(18,449)</u>
Balance on June 30, 2017		<u>20,258,618</u>	<u>1,680,797</u>	<u>250,449</u>	<u>196,929</u>	<u>(1,155,722)</u>	<u>972,453</u>

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

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the three-month periods ended on June 30, 2017 and 2016

(Unaudited - in Canadian dollars)

	Notes	June 30, 2017	March 31, 2017
		\$	\$
OPERATING ACTIVITIES			
Net loss		(18,449)	(16,567)
Non-cash profit or loss items			
Reversal of liability component related to the flow-through units		(9,117)	-
		(27,566)	(16,567)
Change in non-cash working capital items			
Sales taxes recoverable		(1,392)	(1,499)
Prepaid expenses		1,300	-
Accounts payable and accrued liabilities		6,676	1,216
		6,584	(283)
Net cash related to operating activities		(20,982)	(16,850)
INVESTING ACTIVITIES			
Additions to exploration and evaluation assets	6 and 10	(197)	-
Net cash related to investing activities		(197)	-
Decrease in cash		(21,179)	(16,850)
Cash, beginning of period		768,259	56,256
Cash, end of period		747,080	39,406

Additional cash flow information (Note 10)

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

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At June 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Cleghorn Minerals Ltd., incorporated on February 16, 2010 under the Business Corporations Act of British Columbia (the "Company") is involved in the process of exploring, evaluating and promoting its mineral property and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, J9P 7B6.

The common shares of the Company are trading on the TSX Venture Exchange ("TSX") under the symbol "JZZ".

NOTE 2. GOING CONCERN ASSUMPTION AND COMPLIANCE WITH IFRS

These interim condensed financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the basis of the going concern assumption, which presumes the Company will continue its operations and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Company is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. During the three-month period ended June 30, 2017, the Company has incurred a net loss and comprehensive loss of \$18,449 (for the year ended March 31, 2017 – \$157,890) and has an accumulated deficit of \$1,155,722 (March 31, 2017 – \$1,137,273). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company's ability to continue as a going concern is subject to its ability to raise additional financing or reduce its expenditure levels. The Company's discretionary activities do have some scope for flexibility in terms of the amount and timing of expenditures, and to a certain extent, expenditures may be adjusted accordingly. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding will be available to the Company or that they will be available on terms acceptable to the Company. These material uncertainties cast significant doubt regarding the ability to continue as a going concern.

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

NOTE 3. BASIS OF PRESENTATION

These interim condensed financial statements, approved by the Board of Directors on July 31, 2017, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". These interim condensed financial statements as well as the related notes should be read in conjunction with the audited financial statements of the Company as at March 31, 2017.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and evaluation of financial statements

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 3 - Significant Accounting Policies, of the Company's annual audited financial statements for the year ended March 31, 2017.

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At June 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 5. CASH

	June 30, 2017	March 31, 2017
	\$	\$
Cash	398,862	405,041
Cash held for exploration expenses	348,218	363,218
	747,080	768,259

The cash held for exploration expenses represents the balance on flow-through financing not spent according to restrictions imposed by this financing arrangement. The Company has to dedicate these funds to mining properties exploration and has until December 31, 2017 to fulfill these requirements. There is no guarantee that expenses incurred will be eligible.

NOTE 6. EXPLORATION AND EVALUATION ASSETS

On January 5, 2015, the Company entered into a Mineral Claim Purchase Agreement, as amended and restated on April 1, 2015 and further amended and restated on May 14, 2015, with 2973090 Canada Inc. (the "Vendor") to acquire a 100% undivided interest in the Meech Lake Matachewan Prospect. The acquisition was completed on August 18, 2016. The Meech Lake Matachewan Prospect consists of three (3) mining claims situated in Argyle, McNeil and Robertson Townships, approximately 25 km Northwest of Matachewan, in Northeastern Ontario.

Pursuant to the acquisition agreement, the Company granted the vendor a 3% NSR on metals or minerals produced from the property. The Company shall be entitled to repurchase 0.5% of the NSR, leaving the vendor with a 2.5% NSR, by paying to the vendor \$1,000,000, and an additional 1%, leaving the vendor with a 1.5% NSR, by paying the vendor an additional \$3,000,000.

On October 7, 2016, as part of a prospecting funding application, the Company signed a funding and royalty agreement with Ontario Exploration Corporation («OEC») under which the Company granted a 0.5% NSR on its Meech Lake Matachewan Prospect in consideration of \$10,000 in cash payable as \$5,000 upon signature of the agreement and \$5,000 upon approval by the OEC of the final submission form and technical report and delivery by the Company of an assessment credit approval letter. As of June 30, 2017, the Company received \$5,000 and received the final amount of \$5,000 on July 11, 2017.

The following table presents a summary of exploration and evaluation assets:

	March 31, 2016	Additions	March 31, 2017	Additions	June 30, 2017
	\$	\$	\$	\$	\$
Meech Lake Matachewan Prospect (Ontario)					
Acquisition	-	399,446	399,446	-	399,446
Claim maintenance	-	302	302	100	402
Consultants	-	5,562	5,562	-	5,562
Sampling & testing	-	10,256	10,256	-	10,256
Geophysics	-	1,580	1,580	-	1,580
Geology	-	9,261	9,261	1,786	11,047
Line cutting	-	-	-	15,000	15,000
Maps and publications	-	1,725	1,725	-	1,725
Proceeds from the sale of a 0.5% NSR	-	(10,000)	(10,000)	-	(10,000)
	-	418,132	418,132	16,886	435,018

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At June 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 7. SHARE CAPITAL

Authorized

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

Escrowed Shares

As required by applicable securities commissions and those of the TSX, and under an agreement entered with a transfer agent from Computershare Investor Services Inc., a total of 9,513,928 common shares have been placed in escrow and deposited with a trustee under escrow agreements before the completion of the Qualifying Transaction. On August 18, 2016, following the completion of the Qualifying Transaction, 10% of the escrowed shares were released. The balances of restricted shares will be released at a rate of 15% in each of the anniversaries of 6, 12, 18, 24, 30 and 36 months following the initial release. As at June 30, 2017, there were 7,135,466 escrowed shares (7,135,466 as at March 31, 2017).

Warrants

The following table shows the changes in warrants:

	June 30, 2017	March 31, 2017
	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	6,783,874	0.13
Issued	-	-
	6,783,874	0.13
Outstanding, end of period	6,783,874	0.13

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

	Exercise price	Number of warrants outstanding
Expiration date	\$	
February 18, 2018	0.12	5,152,200
February 18, 2018	0.15	1,631,674
		6,783,874

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At June 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 8. SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan dated August 12, 2016 in accordance with the policies of the TSX (the "Stock Option Plan") pursuant to which it has granted options to purchase common shares to directors, officers and technical consultants. The options will be exercisable at the price set by the Company's board of directors and for a period of up to ten years from the date of grant, provided that the number of common shares reserved for issuance under the Share Option Plan does not exceed ten percent (10%) of the issued and outstanding common shares of the Company on the date of grant, provided that the option exercise price is not to be lower than permitted under the policies of the TSX.

The following table shows the changes in stock options:

	June 30, 2017	Weighted average exercise price	June 30, 2017	March 31, 2017
	Number of stock options		Number of stock options	Weighted average exercise price
Outstanding, beginning of period	1,650,000	\$ 0.32	350,000	0.20
Granted	<u>-</u>	<u>-</u>	<u>1,300,000</u>	<u>0.12</u>
Outstanding, end of period	<u>1,650,000</u>	<u>0.32</u>	<u>1,650,000</u>	<u>0.32</u>

The number of outstanding stock options that could be exercised for an equal number of common shares is as follows:

		June 30, 2017	June 30, 2017	March 31, 2017	March 31, 2017
Expiry date	Exercise price	Number outstanding	Number exercisable	Number outstanding	Number exercisable
	\$				
November 2, 2018	0.12	1,300,000	1,300,000	1,300,000	1,300,000
November 16, 2020	0.20	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
		<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>

The fair value of stock options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	March 31, 2017
Weighted average price at the grant date	\$ 0.12
Weighted average exercise price	\$ 0.12
Expected dividend	-
Expected average volatility	100%
Risk-free average interest rate	0.54%
Expected average life	2 years
Weighted fair value per share option	\$ 0.06

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At June 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 8. SHARE-BASED PAYMENTS (Continued)

In the absence of a trading history of the Company's shares, the expected volatility used in the valuation of stock options is based on the historical volatility of similar listed companies for comparable periods. No special features inherent to the stock options granted were incorporated into measurement of fair value.

NOTE 9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential common shares such as stock options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of stock options and warrants issued that could potentially dilute earnings (loss) per share in the future are given in Note 7 and 8.

Both the basic and diluted loss per share have been calculated using the loss attributable to owners of the Company as the numerator, i.e. no adjustment to the loss were necessary in either of the periods presented.

NOTE 9. LOSS PER SHARE (Continued)

Seed shares of 1,600,000 were excluded from weighted average number of shares outstanding calculated for the three-month period ended June 30, 2016 because they were considered as contingently issuable share until the qualifying transaction occurs. Seed Shares are included in the calculation of the weighted average number of shares outstanding starting August 18, 2016 date of completion of the qualifying transaction.

The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and share options.

NOTE 10. ADDITIONAL CASH FLOWS INFORMATION

Additional disclosures regarding cash flows that did not result in a cash outflow:

	June 30, 2017	June 30, 2016
Accounts payable and accrued liabilities included in exploration and evaluation assets	\$ 16,689	\$ -

NOTE 11. RELATED PARTY TRANSACTIONS

Transaction with key management

Key management includes members of the Board of Directors, as well as the president and the chief financial officer ("CFO"). There was no related party transaction during the three-month periods ended June 30, 2017 and 2016.

NOTE 12. COMMITMENTS

The Company entered into a consulting agreement with an indefinite term which will call for a monthly payment of \$2,500.