SAVILLE RESOURCES INC.

Condensed Interim Financial Statements

For The Six Months Ended October 31, 2016

The accompanying unaudited condensed interim financial statements of Saville Resources Inc. for the six months ended October 31, 2016 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

(Unaudited - Expressed in Canadian Dollars)

Saville Resources Inc.
Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		October 31, 2016		April 30, 2016
Assets				
Current				
Cash and cash equivalents	$	**5,039**	$	397
Taxes and other receivables (note 5)		**2,725**		5,072
Prepaid expenses		**3,552**		-
		11,316		5,469
Exploration and evaluation assets (note 7)		**348,348**		316,890
	$	**359,664**	$	322,359
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**233,528**	$	146,892
Equity				
Share capital (note 8)		**7,082,744**		7,082,744
Contributed surplus (note 9)		**140,803**		140,803
Deficit		**(7,097,411)**		(7,048,080)
		126,136		175,467
	$	**359,664**	$	322,359

The financial statements were approved by the Board of Directors on December 21, 2016 and were signed on its behalf by:

"Steven Chen"
Director

"Harold Burgess"
Director

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

Saville Resources Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

		Three Months Ended October 31,				Six Months Ended October 31,		
		2016		2015		**2016**		2015
Expenses								
Management and consulting fees	$	**7,500**	$	7,500	$	**15,000**	$	15,000
Professional fees		**8,700**		7,500		**16,525**		15,000
Transfer agent and filing fees		**8,710**		556		**13,834**		4,973
Office and miscellaneous		**28**		1,530		**2,043**		3,094
Investor relations and travel		**1,783**		461		**1,929**		1,414
		26,721		17,547		**49,331**		39,481
Other Items								
Interest income		**5,999**		5,999		**11,998**		11,998
Write-down of note receivable		**(5,999)**		-		**(11,998)**		-
Net Loss and Comprehensive Loss for the Period		**26,721**		11,548		**49,331**		27,483
Basic and Diluted Loss Per Share	$	**0.00**	$	0.00	$	**0.00**	$	0.00
Weighted Average Number of Common Shares Outstanding – Basic and Diluted		**25,891,911**		25,725,062		**25,891,911**		25,725,062

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

Saville Resources Inc.
Condensed Interim Statements of Changes in Equity
For the six months ended October 31, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Share capital	Contributed surplus	Deficit	Total
Balance, April 30, 2015	**25,891,911**	**7,082,744**	**140,803**	**(6,659,185)**	**564,362**
Net loss for the period	-	-	-	(27,483)	(27,483)
Balance, October 31, 2015	**25,891,911**	**7,082,744**	**140,803**	**(6,686,668)**	**536,879**
	Number of shares	**Share capital**	**Contributed surplus**	**Deficit**	**Total**
Balance, April 30, 2016	**25,891,911**	**7,082,744**	**140,803**	**(7,048,080)**	**175,497**
Net loss for the period	-	-	-	(49,331)	(49,331)
Balance, October 31, 2016	**25,891,911**	**$ 7,082,744**	**$ 140,803**	**$ (7,097,411)**	**$ 126,136**

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

Saville Resources Inc.
Condensed Interim Statements of Cash Flows
For the six months ended October 31, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

		2016		2015
Operating Activities				
Net income (loss)	$	**(49,331)**	$	(27,483)
Items not involving cash				
Write-down of note receivable		**11,998**		-
Interest income accrual		**(11,998)**		(11,998)
Changes in non-cash working capital				
Taxes and other receivables		**2,347**		2,449
Prepaid expenses		**(3,552)**		(1,362)
Accounts payable and accrued liabilities		**86,636**		2,008
Cash Flows (Used in) Operating Activities		**36,100**		(36,386)
Investing Activities				
Exploration and evaluation assets		**(31,458)**		-
Cash Flows (Used in) Investing Activities		**(31,458)**		-
Net Change in Cash and Cash Equivalents		**4,642**		(36,386)
Cash and Cash Equivalents, Beginning of Period		**397**		46,570
Cash and Cash Equivalents, End of Period	$	**5,039**	$	10,184
Supplemental Cash Flows Information				
Interest paid	$	**-**	$	-
Income taxes paid	$	**-**	$	-
Exploration and evaluation costs in accounts payable	$	**31,272**	$	-

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

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Saville Resources Inc. ("Saville" or "the Company") is a publicly listed company incorporated in British Columbia with limited liability under the legislation of the Province of British Columbia and its shares are listed on the Toronto Stock Exchange-Venture under the symbol "SRE". The Company is principally engaged in the acquisition, exploration, development and mining of mineral properties.

The head office, principal address and registered and records office of the Company are located at 1450, 789 West Pender Street, Vancouver, BC, Canada, V6C 1H2.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its investment in the Bud Property or Munn Lake Property contains mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for the investment in the Bud Property or Munn Lake Property is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the investment in the Bud Property or Munn Lake Property, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the investment in the Bud Property or Munn Lake Property.

2. GOING CONCERN

These financial statements were prepared on a going concern basis, under the historical cost convention. The Company's ability to continue as a going concern is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests and the attainment of profitable mining operations. Management is actively engaged in the review and due diligence of opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. The conditions described above may cast significant doubt as to the appropriateness of the use of the going concern assumption.

Management of the Company does not expect that cash flows for the Company's operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of planned exploration and other programs. As at October 31, 2016 and April 30, 2016, the Company reported the following:

	October 31, 2016	April 30, 2016
Net loss for the period	$49,331	$388,895
Deficit	$7,097,411	$7,048,080
Working capital (deficit)	$(222,212)	$(141,423)

These factors raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments, which could be material, to the carrying values and classification of assets and liabilities, which may be required should the Company be unable to continue as a going concern

3. BASIS OF PREPARATION

a) Statement of compliance

These statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB", applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34").

3. BASIS OF PREPARATION – Continued

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale ("AFS"), and fair value through profit or loss ("FVTPL"). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Approval of the financial statements

The condensed interim financial statements of the Company for the six months ended October 31, 2016 were authorized for issue in accordance with a resolution of the directors on December 21, 2016.

d) Significant accounting judgment, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The Company's assessment as to whether any impairment exists in the valuation of its assets,
- The Company's recognition of deferred tax assets, and
- The inputs used in accounting for share purchase options in the statements of comprehensive loss.

Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

  Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

- Going concern

  Significant judgments used in the preparation of these financial statements include, but are not limited to those relating to the assessment of the Company's ability to continue as a going concern.

(Unaudited - Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the audited financial statements for the year ended April 30, 2016. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2014.

5. TAXES AND OTHER RECEIVABLES

	October 31, 2016	April 30, 2016
GST receivable	$ 2,725	$ 5,072

6. NOTE RECEIVABLE

On January 12, 2014, the Company issued a promissory note of $280,000 to Roundtable Resources Ltd., a third party at an annual interest rate of 8.5%. The principal amount and interest are due on October 31, 2016. The promissory note is secured by mining and processing equipment. During the six months ended October 31, 2016, $11,998 (October 31, 2015 - $11,998) of interest income was recorded. As at October 31, 2016, the Company considered the likelihood of collecting the note receivable has significantly diminished, even though the Company has the collateral for the note receivable, however the Company could not determine the fair value of the collateral at this point in time. As a result the Company has made a provision to write-down the note receivable principal and interest.

	October 31, 2016	April 30, 2016
Note receivable	$ 324,394	$ 312,396
Allowance account	(324,394)	(312,396)
Total	$ -	$ -

7. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's most significant property interests and related spending commitments:

	Munn Lake Property	Bud Property	Total
Balance, April 30, 2015 and 2016	$ -	$ 316,890	$ 316,890
Property exploration costs			
Geological costs	11,054	-	11,054
Other costs	20,404	-	20,404
Total costs for the period	31,458	-	31,458
Balance, October 31, 2016	$ 31,458	$ 316,890	$ 348,348

Bud Property

The Company holds a 100% interest (the "Option") in the Bud mineral claims in the Greenwood Mining Division of British Columbia (the "Bud Property") subject to a 2.5% net smelter return ("NSR") royalty to a maximum of $2,500,000. Should the Bud Property achieve commercial production, defined as the point after which 10,000 tonnes of material have been processed and for which NSR payments have been made, the Company will pay a further $75,000 and issue 100,000 common shares.

(Unaudited - Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS - continued

Bud Property - continued

In April 2012, the Company extended the payment date of the final option payment for two years to on or before April 4, 2014. In consideration for the extension, the Company paid $5,000 and issued 50,000 common shares as of April 30, 2012, and paid a further $5,000 and 50,000 common shares as of April 30, 2013.

In April 2014, the Company extended the payment date of the final option payment for a further two years to on or before April 4, 2016. In consideration for the extension, the Company paid $5,000 and issued 50,000 common shares as of April 30, 2014. During the year ended April 30, 2015, the Company paid a further $5,000 and issued 50,000 common shares. During the six months ended October 31, 2016, the Company has negotiated a one year extension for $10,000 to be paid upon completion of the proposed private placement financing.

Munn Lake Diamond Property

On August 24, 2016 the Company entered into a property option agreement (the “Agreement”) to acquire the Munn Lake Diamond Property located in the Slave Province, Northwest Territories from DG Resource Management Ltd. (“DG Resource”) and Zimtu Capital Corp. (“Zimtu”), whereby the Company can acquire an undivided 100% interest in and to 19 mineral claims covering more than 14,000 ha (34,000 acres). The Munn Lake Diamond Property is located approximately 35 km east of the Snap Lake Diamond Mine and 40 km northwest of the Gahcho Kué Mine, which is scheduled to begin commercial diamond production in early 2017.

In consideration, the Company will pay to DG Resource and Zimtu an aggregate of $200,000 cash and the issuance of 6,000,000 post consolidated common shares of the Company divided equally between the Vendors as follows:

- Pay $100,000 upon closing of a financing for gross proceeds of at least $500,000;
- issue 3,000,000 common shares upon Exchange acceptance;
- pay $50,000 within one year of Exchange acceptance, or upon the raising of $1,000,000;
- issue 2,000,000 common shares one year after the Exchange acceptance; and
- pay $50,000 within two years of Exchange acceptance; and
- issue 1,000,000 common shares two years of Exchange acceptance.

DG Resource and Zimtu will retain a 2% Gross Overriding Royalty (“GORR”) on all diamond production divided equally between the vendors. The Company shall be entitled at any time to purchase 1% GORR from Zimtu for $2,000,000 in respect of all minerals other than diamonds. DG Resource and Zimtu will also retain a 2% Net Smelter Return (“NSR”) on all other production divided equally between the vendors. The Company shall be entitled to at any time purchase 1% of the NSR for $2,000,000 payable 50% to each of the vendors.

The Agreement is subject to final acceptance of the Exchange.

8. SHARE CAPITAL

(a) Authorized - Unlimited number without par value

(b) Issued – As of October 31, 2016, there are 25,891,911 shares outstanding. See Note 13.

(c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	October 31, 2016		April 30, 2016	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
Outstanding, beginning of period	10,000,000	$0.38	10,000,000	$0.38
Issued	-	-	-	-
Outstanding, end of period	10,000,000	$0.38	10,000,000	$0.38

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL – continued

(c) Warrants - continued

The following warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Warrants October 31, 2016	Number of Warrants April 30, 2016
October 3, 2019	$0.25	5,000,000	5,000,000
October 3, 2019	$0.50	5,000,000	5,000,000
		10,000,000	10,000,000
Weighted average outstanding life of warrants		2.92 years	3.43 years

9. SHARE-BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares of the Company, being 2,589,191, to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be for a maximum term of five years. Options granted to consultants not engaged in investor relations activities are granted for past services and vest immediately. Options granted to investor relations consultants vest according to TSX Venture Exchange policy.

During the six months ended October 31, 2016 and the year ended April 30, 2016, the Company granted nil stock options to directors and consultants.

The following is a summary of option transactions under the Company's stock option plan for the six months ended October 31, 2016 and the year ended April 30, 2016:

	October 31, 2016		**April 30, 2016**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	600,000	$ 0.12	600,000	$ 0.12
Exercised	-	-	-	-
Outstanding and exercisable, end of period	600,000	$ 0.12	600,000	$ 0.12

The following table summarizes information about stock options outstanding and exercisable:

Expiry Date	Exercise Price	Number of Options **October 31, 2016**	Number of Options **April 30, 2016**
March 21, 2017	$ 0.12	600,000	600,000
Weighted average outstanding life of options		0.39 years	0.89 years

The Company applies the fair value method in accounting for its stock options. During the six months ended October 31, 2016 the Company recognized stock based compensation expense of $nil (October 31, 2015 - $nil).

(Unaudited - Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations.

Key Management Compensation	October 31, 2016	October 31, 2015
Management fees	$ 15,000	$ 15,0000

Included in accounts payable is $51,250 (April 30, 2016 - $36,250) payable to directors of the Company. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended October 31, 2016 and the year ended April 30, 2016. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At October 31, 2016, the Company's financial instruments consist of cash and cash equivalents, note receivable and accounts payable and accrued liabilities. The fair values of cash and cash equivalents, note receivable and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments. The Company classifies its cash and cash equivalents as FVTPL, note receivable as loans and receivables, accounts payable and accrued liabilities as other liabilities. The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with a 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 credit quality financial institution.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company ensures that there is sufficient working capital to fund its ongoing operating expenditures, after taking into account cash flows from operations and the Company's holdings of cash and short term investment. As at October 31, 2016, the Company had a working capital deficiency of $222,212 (April 30, 2016: $141,423).

12. FINANCIAL INSTRUMENTS AND RISK - continued

Interest rate risk
Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on the notes receivable and does not currently hold any financial instruments that mitigate this risk. The Company's note receivable bear a fixed interest rate; therefore is not exposed to significant interest risk.

13. SUBSEQUENT EVENTS

The Company will be proceeding with a consolidation of it share capital as approved at the 2016 Annual and Special Meeting of shareholders held on June 29, 2016. The consolidation of the common shares of the Company on the basis of five (5) pre-consolidation shares for one (1) post-consolidation share. The 25,891,911 common shares of the Company currently outstanding will be reduced to approximately 5,178,382 common shares.

The Company has arranged a non-brokered private placement financing, subject to Exchange approval, of up to 12,500,000 Units ("Units") of the Company at a price of $0.06 per Unit (post-consolidation) for gross proceeds of up to $750,000. Each Unit will consist of one common share in the capital of the Company and one common share purchase warrant, with each warrant exercisable into one common share at a price of $0.10 for a period of 24 months from closing.