

# Lund Enterprises Corp.

Condensed Interim Financial Statements

Three and Six Months Ended December 31, 2016

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of Lund Enterprises Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditors have not performed a review of these financial statements.

**LUND ENTERPRISES CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars, unless otherwise stated)

	December 31, 2016	June 30, 2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 51,526	\$ 102,436
Receivables	1,412	838
Deposits and prepaid expenses	<u>1,343</u>	<u>2,821</u>
<b>Total current assets</b>	<u>54,281</u>	<u>106,095</u>
<b>Total Assets</b>	<u>\$ 54,281</u>	<u>\$ 106,095</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 4 and 6)	\$ <u>51,127</u>	\$ <u>41,950</u>
<b>Shareholders' Equity</b>		
Share capital (Note 5)	17,205,941	17,205,941
Reserves	1,378,246	1,378,246
Deficit	<u>(18,581,033)</u>	<u>(18,520,042)</u>
<b>Total Shareholders' Equity</b>	<u>3,154</u>	<u>64,145</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 54,281</u>	<u>\$ 106,095</u>

**Nature and continuance of operations (Note 1)**

These financial statements are authorized for issue by the Board of Directors on February 28, 2017.

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

**LUND ENTERPRISES CORP.****CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

	Three months Ended December 31, 2016	Three months Ended December 31, 2015	Six months Ended December 31, 2016	Six months Ended December 31, 2015
<b>EXPENSES</b>				
Audit and accounting	\$ 6,142	\$ 6,289	\$ 12,010	\$ 13,909
Filing and transfer agent fees	5,641	3,948	7,899	5,958
Legal	-	2,654	650	2,969
Office and general	2,903	4,927	5,268	8,720
Rent	2,642	2,567	5,235	5,085
Salaries and benefits	14,645	21,272	27,953	33,715
Travel and public relations	1,796	1,909	1,976	2,089
	<u>(33,769)</u>	<u>(43,566)</u>	<u>(60,991)</u>	<u>(72,445)</u>
<b>Loss and comprehensive loss for the period</b>	<u>\$ (33,769)</u>	<u>\$ (43,566)</u>	<u>\$ (60,991)</u>	<u>\$ (72,445)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>	<u>7,835,313</u>	<u>7,835,313</u>	<u>7,835,313</u>	<u>7,835,313</u>

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

**LUND ENTERPRISES CORP.****CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

	<u>Share capital</u>		Share-based payments reserve	Deficit	Total share- holders' equity
	Number of shares	Amount			
Balance at June 30, 2015	7,835,313	\$ 17,205,941	\$ 1,378,246	\$ (18,394,797)	\$ 189,390
Loss and comprehensive loss for the period	-	-	-	(72,445)	(72,445)
Balance at December 31, 2015	7,835,313	\$ 17,205,941	\$ 1,378,246	\$ (18,467,242)	\$ 116,945
Balance at June 30, 2016	7,835,313	\$ 17,205,941	\$ 1,378,246	\$ (18,520,042)	\$ 64,145
Loss and comprehensive loss for the period	-	-	-	(60,991)	(60,991)
Balance at December 31, 2016	7,835,313	\$ 17,205,941	\$ 1,378,246	\$ (18,581,033)	\$ 3,154

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

**LUND ENTERPRISES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
For the three and six months ended December 31, 2016 and 2015  
(Expressed in Canadian Dollars, unless otherwise stated)

	Three months Ended December 31, 2016	Three months Ended December 31, 2015	Six months Ended December 31, 2016	Six months Ended December 31, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	\$ (33,769)	\$ (43,566)	\$ (60,991)	\$ (72,445)
Changes in non-cash working capital items:				
Receivables	804	(3,096)	(574)	(2,153)
Deposits and prepaid expenses	2,040	3,213	1,478	4,176
Trade and other payables	(5,010)	2,020	9,177	15,041
Net cash used in operating activities	(35,935)	(41,429)	(50,910)	(55,381)
<b>Change in cash</b>	(35,935)	(41,429)	(50,910)	(55,381)
<b>Cash, beginning of period</b>	87,461	174,988	102,436	188,940
<b>Cash, end of period</b>	\$ 51,526	\$ 133,559	\$ 51,526	\$ 133,559

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

## **LUND ENTERPRISES CORP.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Lund Enterprises Corp. (the “Company” or “Lund”) was incorporated on June 22, 1978 under the provisions of the Company Act of British Columbia. The Company is in the business of exploring mineral properties. The address of the Company’s corporate office and principal place of business is Suite 300, Guinness Tower, 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9.

The business of exploring exploration and evaluation assets involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. The recoverability of amounts expended on exploration and evaluation assets is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these properties, and future profitable production or proceeds from the disposition of exploration and evaluation assets. Because of the Company’s limited working capital and the state of the capital markets for companies such as Lund, management believes such uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These condensed interim financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

#### **2. BASIS OF PRESENTATION**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended June 30, 2016.

These condensed interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company’s annual financial statements as at and for the year ended June 30, 2016.

#### **3. EXPLORATION AND EVALUATION ASSETS**

##### **Black Fox Project, Ontario**

Since fiscal 2009 the Company has held an option to acquire a 100% interest in nine claim blocks located in the Thunder Bay Mining Division of northern Ontario. To date, by way of option payments, the Company has issued a total of 20,000 common shares, as adjusted to reflect a share consolidation in December 2013, and made a series of cash payments totalling \$85,000. A final 10,000 common shares will become issuable to the optionors upon the completion of a positive feasibility study. The optionors retain a 2.5% net smelter royalty interest, of which 40% can be purchased by the Company at any time for \$1,000,000. At June 30, 2012 the Company wrote off \$1,153,270 in relation to the Black Fox Project, being the entire investment to that date in the project. The project remains in good standing, and effective July 1, 2012 further incidental exploration and evaluation costs, if any, are being charged to the statement of loss and comprehensive loss as an operating expense.

**LUND ENTERPRISES CORP.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

**4. TRADE AND OTHER PAYABLES**

	December 31, 2016	June 30, 2016
Accounts payable	\$ 5,877	\$ 1,200
Accrued payable	45,250	40,750
Trade and other payables	\$ 51,127	\$ 41,950

**5. SHARE CAPITAL**

## (a) Authorized:

As at December 31, 2016, the authorized share capital of the Company was an unlimited number of common shares without par value.

## (b) Issued:

Common shares: 7,835,313 (June 30, 2016– 7,835,313).

## Warrants:

As at June 30 and December 31, 2016, the Company had warrants outstanding for the purchase of up to a total of 3,000,000 shares at the exercise price of \$0.20 up to the expiry date August 5, 2017.

## Stock options:

The Company has an incentive stock option plan (the “Plan”) to grant options to employees, officers, directors and consultants. The maximum number of shares reserved for issuance under the Plan shall not exceed 10% of the issued share capital of the Company. The exercise price of each option may not be less than the market price of the Company’s shares at the date of grant. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

The Company has no stock options outstanding.

**6. RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company and include both executive and non-executive directors and other senior officers. The Company considers all directors and officers of the Company to be key management personnel.

The Company incurred the following costs with directors and officers:

	Six months ended December 31, 2016	Six months ended December 31, 2015
Directors’ fees (included in salaries and benefits)	\$ 9,000	\$ 9,000
Management salaries and benefits	10,800	13,150
	\$ 19,800	\$ 22,150

Included in trade and other payables at December 31, 2016 is \$44,250 (June 30, 2016 - \$30,750) due to directors, senior officers and a company related by having key management personnel in common.