MAKENA RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2017

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended September 30, 2017 and 2016 have not been reviewed by the Company's external auditor.

MAKENA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

ASSETS	September 30, 2017	June 30, 2017
Current assets		
Cash	$ 88,954	$ 103,902
Receivables	7,862	16,907
Prepaid expenses	1,411	7,235
Total current assets	98,227	128,044
Non-current assets		
Exploration and evaluation assets – Note 4	1,502,386	1,571,386
Total assets	$ 1,600,613	$ 1,699,430
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities – Notes 5 and 10	$ 928,970	$ 808,399
Interest payable – Note 6	19,170	2,255
Loans payable – Note 6	29,500	29,500
Flow-through share premium liability – Note 7	6,611	6,611
Total current liabilities	984,251	846,765
Non-current liabilities		
Loans payable – Note 6	1,236,000	1,236,000
Total liabilities	2,220,251	2,082,765
SHAREHOLDERS' EQUITY (DEFECIENCY)		
Share capital – Note 8	19,701,208	19,701,208
Reserves – Note 8	2,545,674	2,545,674
Accumulated deficit	(22,866,520)	(22,630,217)
Total shareholders' equity (deficiency)	(619,638)	(383,335)
Total liabilities and shareholders' equity (deficiency)	$ 1,600,613	$ 1,699,430

Nature and Continuance of Operations (Note 1)
Subsequent Events (Notes 4, 10 and 13)

APPROVED BY THE DIRECTORS:

"Spencer Smyl"	Director	*"Gurcharn Deol"*	Director
Spencer Smyl		Gurcharn Deol	

MAKENA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Three months ended September 30, 2017	2016
Operating expenses		
Consulting	$ 111,600	$ 113,475
Management fees	-	45,000
Office and miscellaneous	7,500	13,342
Professional fees – Note 10	9,821	8,439
Shareholder information	-	1,213
Transfer agent and filing fees	12,092	10,427
Travel and promotion	9,375	9,700
	(150,388)	(201,596)
Interest expense – Note 6	(16,915)	-
Write-down of exploration and evaluation assets – Note 4	(69,000)	(159,169)
	(85,915)	(159,169)
Net loss and comprehensive loss for the period	$ (236,303)	$ (360,765)
Loss per share – basic and diluted – Note 9	$ (0.03)	$ (0.05)
Weighted average number of shares outstanding – basic and diluted – Note 9	7,193,351	6,562,904

MAKENA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Three months ended September 30, 2017	Three months ended September 30, 2016
Operating Activities		
Loss for the period	$ (236,303)	$ (360,765)
Adjustments for non-cash items:		
Accrued interest on loans payable	16,915	-
Write-down of exploration and evaluation assets	69,000	159,169
Changes in non-cash working capital items:		
Receivables	9,045	(8,892)
Related party receivables	-	52,949
Prepaid expenses	5,824	1,300
Accounts payable and accrued liabilities	120,571	141,445
Cash used in operating activities	(14,948)	(14,794)
Investing Activities		
Exploration and evaluation assets	-	(239,169)
Cash used in investing activities	-	(239,169)
Financing Activities		
Share issue costs	-	(600)
Cash used in financing activities	-	(600)
Decrease in cash during the period	(14,948)	(254,563)
Cash, beginning of the period	103,902	342,334
Cash, end of the period	$ 88,954	$ 87,771

Supplemental Disclosure with Respect to Cash Flows (Note 12)

MAKENA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share Capital				
	Number of shares	Amount	Reserves	Accumulated Deficit	Total
Balance, June 30, 2016	5,618,351	$ 18,839,020	$ 2,468,102	$ (20,300,477)	$ 1,006,645
Share issue costs	-	(600)	-	-	(600)
For exploration and evaluation assets	1,475,000	830,000	-	-	830,000
Loss for the period	-	-	-	(360,765)	(360,765)
Balance, September 30, 2016	7,093,351	19,668,420	2,468,102	(20,661,242)	1,475,280
Stock options exercised	100,000	16,500	-	-	16,500
Stock options issued	-	-	93,860	-	93,860
Transfer of reserves on options exercised	-	16,288	(16,288)	-	-
Loss for the period	-	-	-	(1,968,975)	(1,968,975)
Balance, June 30, 2017	7,193,351	19,701,208	2,545,674	(22,630,217)	(383,335)
Loss for the period	-	-	-	(236,303)	(236,303)
Balance, September 30, 2017	7,193,351	$ 19,701,208	$ 2,545,674	$ (22,866,520)	$ (619,638)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Makena Resources Inc. (the "Company") is an exploration stage public company and is listed on the Canadian Securities Exchange (the "CSE") under the symbol "MKNA". The Company's principal business activities include acquiring and exploring exploration and evaluation assets. At September 30, 2017, the Company had exploration and evaluation assets located in Canada.

The Company's head office and principal business address is Suite 1470, 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6. The Company's registered and records office is located at 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At September 30, 2017, the Company had a working capital deficiency of $886,024, had not yet achieved profitable operations and has an accumulated deficit of $22,866,520 since its inception. The Company expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company's ability to continue as a going concern. The Company will require additional financing in order to conduct its planned work programs on exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these condensed consolidated interim financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these condensed consolidated interim financial statements.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS34") as issued by the International Accounting Standards Board ("IASB"). Therefore, these condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company's most recently issued audited financial statements for the year ended June 30, 2017, which includes information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies, use of judgements and estimates were presented in Note 2 and Note 3 of these audited financial statements, and have been consistently applied in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 27, 2017.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

b) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The principal subsidiaries of the Company as of September 30, 2017 are as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest September 30, 2017	Ownership Interest June 30, 2017
Canasia Clone Property Corp.	Holding company	Canada	100%	100%
DB Diamond Holdings Inc.	Holding company	Canada	N/A	100%
Bachman Lithium Corp.	Holding company	Canada	N/A	100%

During the three months ended September 30, 2017, DB Diamond Holdings Inc. and Bachman Lithium Corp. amalgamated into Canasia Clone Property Corp.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standard and is currently evaluating the impact, if any, that the following standard might have on its condensed consolidated interim financial statements.

IFRS 9 – Financial Instruments (“IFRS 9”)

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity’s business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets consist of the following mineral properties:

	BC Clone Property	SK Patterson Claims	SK DB Diamond Prospect	QC Bachman Lithium Prospect	Total
Balance, June 30, 2016	$ 1,873,733	$ -	$ -	$ -	$ 1,873,733
Acquisition costs	-	-	560,000	270,000	830,000
Deferred exploration expenditures					
Camp	-	51,469	-	-	51,469
Drilling	29,010	90,835	-	-	119,845
Engineering fees	4,200	-	-	-	4,200
Field equipment and supplies	4,694	35,609	-	-	40,303
Geological expenses	2,150	14,100	-	-	16,250
Helicopter services	29,060	-	-	-	29,060
Lab and assay	4,444	-	-	-	4,444
Reclamation	5,000	-	-	-	5,000
Travel, accommodation and misc.	5,182	17,156	-	-	22,338
Advance for exploration	1,260	(50,000)	-	-	(48,740)
Write-down of exploration and evaluation assets	(1,217,347)	(159,169)	-	-	(1,376,516)
Balance, June 30, 2017	741,386	-	560,000	270,000	1,571,386
Write-down of exploration and evaluation assets	(69,000)	-	-	-	(69,000)
Balance, September 30, 2017	$ 672,386	$ -	$ 560,000	$ 270,000	$ 1,502,386

Title to Interests in Exploration and Evaluation Assets

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers, and rights of ownership may be affected by undetected defects.

4. EXPLORATION AND EVALUATION ASSETS (continued)

BC Clone Mineral Claims - Option Agreement

By an option agreement dated November 28, 2005 and amended June 9, 2009, the Company acquired the right to earn an undivided 50% interest in the Clone mineral claims, located in the Skeena Mining Division of northwestern British Columbia. Under the terms of the option agreement, the Company earned its undivided 50% interest in the Clone mineral claims by paying a total of $120,000 cash consideration, issuing 500 common shares, and incurring exploration expenditures on the Clone mineral claims aggregating $1,800,000.

In August 2017, the Company decided to drop or reduce the size of certain mineral claims. Accordingly, prior acquisition costs of $56,538 and exploration costs of $706,043 associated with these claims were written off as of June 30, 2017.

Furthermore, on September 26, 2017, the Company entered into a purchase agreement (the “Agreement”) with an arm’s length party (the “Purchaser”). The Purchaser agreed to acquire all of the Company’s right, title and interest in and to the undivided 50% interest in the Clone mineral claims. In consideration, the Purchaser agreed to pay the Company an aggregate total of $300,000 over a two year period ($100,000 on or before October 5, 2018 and the remaining $200,000 on or before October 5, 2019); issue 3,000,000 common shares of the Purchaser to the Company on or before October 10, 2017 (received); and assume the liabilities incurred by the Company in connection with its interest in the Clone mineral claims totalling $72,386. The Company has agreed not to sell, deal, assign or transfer 1,000,000 of the Purchaser shares until February 12, 2018, 1,000,000 until October 5, 2018 and 1,000,000 until October 5, 2019. Accordingly, the Company further wrote off the carrying value of the Clone mineral claims by $454,766 as of June 30, 2017 and $69,000 as of September 30, 2017, respectively. This transaction was closed subsequent to September 30, 2017.

As at September 30, 2017, the Company had spent a total of $705,435 in exploration expenditures on the remaining claims of this property.

SK DB Diamond Prospect – Share Purchase Agreement

On June 28, 2016, the Company entered into a share purchase agreement (the “Agreement”) with three arm’s length vendors (the “Vendors”) to purchase 100% of the issued and outstanding shares of DB Diamond Holdings Inc. (“DB”), which holds a 100% interest in prospective diamond claims in the Athabasca region of Saskatchewan. The acquisition has been accounted for as an asset acquisition. In July 2016, the Company issued 800,000 shares (issued at a value of $560,000) to the Vendors pursuant to the Agreement.

QC Bachman Lithium Prospect – Share Purchase Agreement

On August 24, 2016, the Company entered into a share purchase agreement (the “Agreement”) with three arm’s length vendors (the “Vendors”) to purchase 100% of the issued and outstanding shares of Bachman Lithium Corp. (“Bachman”). The sole asset of Bachman consisted of certain mineral claims in the Abitibi area of Quebec Province. The acquisition has been accounted for as an asset acquisition. In September 2016, the Company issued 675,000 shares (issued at a value of $270,000) to the Vendors pursuant to the Agreement.

(Expressed in Canadian Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities recognized in the statement of financial position can be analyzed as follows:

	September 30, 2017	June 30, 2017
Trade payables	$ 783,045	$ 662,474
Accrued liabilities	145,925	145,925
Total payables	$ 928,970	$ 808,399

All amounts are short-term. The carrying value of trade payables and accrued liabilities is considered a reasonable approximation of fair value.

6. LOANS PAYABLE

In May and June 2017, the Company received loan advances totalling $29,500 from three arm’s length parties (the “Lenders”), bearing 18% interest per annum and due upon demand.

In May 2017, the Company announced a private placement of up to 14,583,333 units at $0.12 per unit for gross proceeds of up to $1,750,000. The Company received $1,236,000 in share subscriptions from eight arm's length parties and one director of the Company (collectively, the "Subscribers) in connection with this private placement. In June 2017, the Company cancelled the private placement. The Company entered into loan agreements (the Agreements") with the Subscribers. Pursuant to the terms of the Agreements, the Subscribers agreed to convert a total of $1,236,000 into loans payable, bearing 5% interest per annum and due on July 19, 2018.

As at September 30, 2017, $1,265,500 (June 30, 2017: $1,265,500) of loan principal and $19,170 (June 30, 2017: $2,255) of loan interest were outstanding towards these loans. The Company fully repaid and/or settled the outstanding loans subsequent to September 30, 2017.

7. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance at June 30, 2016	$ 37,500
Liability derecognized due to exploration expenditures renounced to shareholders	(30,889)
Balance at June 30, 2017 and September 30, 2017	$ 6,611

During the year ended June 30, 2016, the Company closed a private placement of 375,000 flow-through units at $0.40 per unit for gross proceeds of $150,000. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. The premium received on the flow-through shares issued was determined to be $37,500 and was recorded as a share capital reduction. An equivalent premium liability was also recorded.

During the year ended June 30, 2017, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of $30,889 and recognized it as other income.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES

Authorized: An unlimited number of common shares, without par value
An unlimited number of Class A preferred shares, without par value

(a) Private placements

The Company did not close any private placements during the three months ended September 30, 2017 and 2016.

(b) Share purchase warrants

The following is a summary of changes in share purchase warrants from June 30, 2016 to September 30, 2017:

	Number	Weighted Average Exercise Price
Balance, June 30, 2016	4,319,628	$1.22
Expired	(50,000)	$2.00
Balance, June 30, 2017 and September 30, 2017	4,269,628	$1.21

At September 30, 2017, the Company had 4,269,628 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
161,586	$1.00	August 9, 2018
266,683	$3.60	October 24, 2018
50,234	$3.60	November 5, 2018
30,250	$4.00	December 2, 2018
337,500	$1.00	August 21, 2019
520,000	$1.00	July 6, 2020
349,000	$1.00	November 19, 2020
1,625,000	$1.00	April 6, 2021
929,375	$1.00	June 20, 2021
4,269,628		

(c) Share-based payments

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of grant. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount, subject to a minimum exercise price of $0.10. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors. Pursuant to the regulations of the CSE, stock options may be granted outside of the stock option plan.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (continued)

(c) Share-based payments

The following is a summary of changes in share purchase options from June 30, 2016 to September 30, 2017:

	Number	Weighted Average Exercise Price
Outstanding and exercisable, June 30, 2016	149,650	$3.23
Granted	580,000	$0.17
Exercised	(100,000)	$0.165
Expired	(13,000)	$25.00
Forfeited	(48,450)	$1.16
Outstanding and exercisable, June 30, 2017 and September 30, 2017	568,200	$0.33

At September 30, 2017, 568,200 employee and director share purchase options were outstanding and exercisable entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
16,750	$1.20	August 15, 2018
35,450	$1.30	December 20, 2018
41,000	$1.00	August 28, 2019
475,000	$0.165	May 4, 2022
568,200		

(d) Escrow shares

As at September 30, 2017, 1,594 (June 30, 2017: 1,594) common shares are held in escrow.

9. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

	Three months ended September 30, 2017	2016
Net Loss	$ (236,303)	$ (360,765)
Weighted average number of common shares for the purpose of basic and diluted loss per share	7,193,351	6,562,904

(Expressed in Canadian Dollars)

9. LOSS PER SHARE (continued)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants currently issued (see Note 8) were anti-dilutive for the three months ended September 30, 2017 and 2016.

The loss per share for the three months ended September 30, 2017 was $0.03 (three months ended September 30, 2016: $0.05).

10. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management of the Company are directors and officers of the Company and their remuneration includes the following:

	Three months ended September 30, 2017	2016	
Professional fees	$ 4,500	$ 18,375	*
Travel and promotion	-	2,400	
Management fees	-	45,000	
	$ 4,500	$ 65,775	

* This is the gross amount paid to an officer prior to chargeback of $14,707 reimbursed by related companies with certain directors in common and a common officer.

Related party balances

At September 30, 2017, accounts payable and accrued liabilities include $231,179 (June 30, 2017: $231,349) payable to two former directors, a private company controlled by a former director, and one director for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

As outlined in Note 6, in June 2017, the Company entered into a loan agreement with a director of the Company, to convert funds of $12,000 received from this director for a cancelled private placement into a loan, bearing 5% interest per annum. As of September 30, 2017, $12,000 of loan principal and $169 of loan interest was outstanding towards this loan. This loan were repaid in full subsequent to September 30, 2017.

11. SEGMENTAL REPORTING

The Company operates in one business segment, being the acquisition and exploration of mineral properties in Canada.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows.

Three months ended September 30, 2016:

a) The Company issued 800,000 common shares valued at $560,000 pursuant to the DB share purchase agreement.

b) The Company issued 675,000 common shares valued at $270,000 pursuant to the Bachman share purchase agreement.

13. SUBSEQUENT EVENTS

Subsequent to September 30, 2017, the following occurred:

a) The Company closed a private placement (the “Offering”) consisting of 4,166,667 units at $0.12 per unit for gross proceeds of $500,000. Each unit consisted of one common share of the Company and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.16 per share until October 27, 2022. In connection with the Offering, the Company paid aggregate finders’ fees of $9,600 and issued 80,000 broker warrants. The broker warrants are exercisable into one common share each at $0.16 per share until October 27, 2022.

b) The Company closed a debt settlement whereby $1,224,000 of outstanding loans and $4,340 of accounts payable were settled at a deemed price of $0.12 per unit. Each unit consisted of one common share of the Company and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.16 per share until October 27, 2022.