NITINAT MINERALS CORPORATION

Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

Three and Six Months Ended December 31, 2016

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Nitinat Minerals Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and six months ended December 31, 2016 have not been reviewed by the Company's auditors.

NITINAT MINERALS CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	As at December 31, 2016	As at June 30, 2016
Assets		
Current assets		
Cash	$ 25,302	$ 305
Receivables *(Note 3)*	9,647	4,165
	34,949	4,470
Reclamation bond	5,000	5,000
Note receivable *(Note 4)*	1	1
Exploration and evaluation assets *(Note 5)*	721,120	681,120
Total assets	$ 761,070	$ 690,591
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities *(Note 6)*	$ 687,965	$ 704,163
Due to related party *(Note 12)*	15,148	104,997
Total liabilities	703,113	809,160
Shareholders' Deficiency		
Share capital *(Note 7)*	7,684,339	7,352,510
Reserves	1,508,896	1,508,896
Accumulate deficit	(9,135,278)	(8,979,975)
	57,957	(118,569)
Total Liabilities and Shareholders' Deficiency	$ 761,070	$ 690,591

Litigation (Note 13)

Subsequent events (Note 14)

On behalf of the Board:

"Victor Cantore" *Director*

"Herbert Brugh" *Director*

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

NITINAT MINERALS CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Six Months Ended December 31, 2016	Six Months Ended December 31, 2015
Operating Expenses				
General and administrative *(Note 11)*	$ 64,954	$ 78,780	117,111	156,931
Operating Loss	**(64,954)**	(78,780)	**(117,111)**	(156,931)
Gain on write-off of accounts payable	-	-		66,863
(Loss) gain on debt extinguishment *(Note 7)*	-	-	(38,192)	40,455
	(64,954)	-	**(155,303)**	(49,613)
Net (loss) income for the period	$ **(64,954)**	$ (78,780)	**(155,303)**	(49,613)
Basic and diluted loss per common share *(Note 10)*	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	19,068,215	11,574,933	19,068,215	11,131,322

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

NITINAT MINERALS CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Six Months Ended December 31 2016	Six Months Ended December 31 2015
Cash flows used operating activities		
Net income (loss)	$ **(117,111)**	$ (49,613)
Items not affecting cash:		
Debt extinguishment *(Note 7)*	**-**	202,817
Loss (gain) on debt extinguishment *(Note 7)*	**(38,192)**	(40,455)
Gain on write-off of accounts payable	**-**	(66,863)
	(155,303)	45,886
Changes in non-cash working capital:		
Receivables	**(5,482)**	(4,109)
Accounts payable and accrued liabilities	**(16,197)**	(31,586)
	(21,679)	35,695
Cash flows used in operating activities	**(176,982)**	10,191
Cash flows used investing activities		
Proceeds from expenditures on exploration and evaluation assets	**(40,000)**	(10,000)
Cash flows used investing activities	**(40,000)**	(10,000)
Cash flows from financing activity		
Advances from related party	**(89,849)**	1,402
Cash flows from financing activity	**331,829**	
Cash flows provide from financing activities	**241,980**	**1,402**
Net change in cash and cash equivalents during the period	**24,998**	1,402
Cash and cash equivalents - beginning of period	**305**	2,973
Cash and cash equivalents - end of period	**25,302**	4,566
Supplementary information		
Mineral properties expenditures included in accounts payable and accrued liabilities	**$ 17,561**	$ 17,561
Issuance of common shares for debt settlement	**$ 158,250**	$ -

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

NITINAT MINERALS CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

	# of Shares	**Share Capital**	**Warrants**	**Equity settled share-based payments reserve**	**Accumulated Deficit**	**Total**
Balance, June 30, 2015	**7,515,893**	**$ 6,958,782**	**$ -**	**$ 1,408,861**	**$ (8,673,953)**	**$ (306,310)**
Shares issued for debt extinguishment (note 7(a)(i))	**4,059,040**	162,362	-	-	-	162,362
Net income for the period	**-**	-	-	-	(49,613)	(49,613)
Balance, December 31, 2015	**11,574,933**	$ 7,121,144	$ -	$ 1,408,861	$ (8,723,566)	$ (193,561)
Balance, June 30, 2016	**16,202,253**	$ 7,352,510	$ 100,035	$ 1,408,861	$ (8,979,975)	$ (118,569)
Shares issued for debt extinguishment (note 7(a)(ii)(iii)	**4,787,500**	331,817	-	-	-	331,817
Net loss for the period	**-**	-	-	-	(155,303)	(155,303)
Balance, December 31, 2016	**20,989,753**	$ 7,684,327	$ 100,035	$ 1,408,861	$ (9,135,278)	$ (57,945)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nitinat Minerals Corporation (the "Company") was incorporated under the laws of the State of Nevada on June 1, 2004 under the name of "Assal Metallo, Inc.". On June 20, 2007, the Company was continued under the laws of the Province of Alberta and on July 19, 2007, it was continued under the laws of the Province of Ontario, at which time the name was changed to Nitinat Minerals Corporation pursuant to Articles of Continuance dated June 22, 2007. The primary office of the Company is located at 85 Richmond Street West, Suite 702, Toronto, Ontario M5H 2C9.

These unaudited condensened interim consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of $9,135,278. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future. These unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management will pursue funding initiatives if, as and when required to meet the Company's requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

As at December 31, 2016, the Company had a working capital deficit of $668,164. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

(EXPRESSED IN CANADIAN DOLLARS)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

a) Basis of preparation

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by the IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issues and outstanding as of December 1, 2016 the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended June 30, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ended June 30, 2016 could result in restatement of these unaudited condensed interim consolidate financial statements.

b) New accounting standard not yet adopted

IFRS 9 - Financial Instruments ("IFRS 9") was issues by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurements ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost of fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also required a single impairment method to be used, replacing the multiple impairment method in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

3. RECEIVABLES

	December 31, 2016	June 30, 2016
Harmonized sales tax recoverable	**$ 9,647**	$ 4,165

(EXPRESSED IN CANADIAN DOLLARS)

4. NOTE RECEIVABLE

During the year ended June 30, 2013, the Company acquired its subsidiary, Taman Petroleum Corporation ("Taman"). Taman has an 8% interest in a Russian private company, Techniton LLC ("Techniton"). Techniton has a 100% interest in the South Temryuk Oil & Gas Exploration-Exploitation Licence located in the mature Azov-Kuban petroleum region of southwest Russia. During the year ended June 30, 2013, the Company wrote-down its investment in Techniton to $nil.

During the year ended June 30, 2014, the Company loaned Techniton $300,000, proceeds from the private placement completed during that year.

As at June 30, 2014, the Company decided to write-down the note receivable from Techniton to $1 based on uncertainty of collection.

5. EXPLORATION AND EVALUATION ASSETS

Title to mineral property 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 mineral claims. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its interests are in good standing. The mineral property interests in which the Company has committed to earn an interest in are located in Canada.

		Jasper Property	Carscallen		Chibougamau Property	Total
Balance, June 30, 2015	$	653,559	-	$	-	653,559
Consulting		27,561	-		-	27,561
Balance, September 30, 2016	$	681,120	-	$	-	681,120
Additions		-	40,000		-	
Balance, June 30, 2016 and December 31, 2016	$	681,120	**40,000**	**$**	**-**	**721,120**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2016		June 30, 2016
Falling due within twelve months				
Accounts payables	**$**	**418,824**	$	491,552
Accrued liabilities		**269,141**		212,611
	$	**687,965**	$	704,163

(EXPRESSED IN CANADIAN DOLLARS)

7. SHARE CAPITAL

(a) Authorized and issued share capital

The authorized share capital consists of an unlimited number of common shares, without par value and an unlimited number of preferred shares, without par value. All issued shares are fully paid.

i) During the six months ended December 31, 2016, the Company has settled an aggregate of $135,375 of debt by the issuance of 2,707,500 common shares of the Company at a fair value of $173,567 resulting in a loss on debt extinguishment of $38,192 realized through the unaudited condensed interim consolidated statement of loss and comprehensive loss.

ii) During the six months as December 31, 2016, the company excerised 2,080,000 warrants @ procedd of $158,250.

iii) During the six months ended December 31, 2015, the Company has settled an aggregate of $202,817 of debt by the issuance of 4,059,040 common shares of the Company at a fair value of $162,362 resulting in a gain on debt extinguishment of $40,455 realized through the unaudited condensed interim consolidated statement of loss and comprehensive loss.

(b) Compensation units

	Number of Compensation Units	Exercise Price
Balance, June 30, 2015, December 31, 2015,	175,000	0.05
June 30, 2016 and December 31, 2016	175,000	0.05

The following are the Compensations Units outstanding at December 31, 2016:

Number of Compensation Units outstanding	175,000
Exercise price ($)	0.05
Remaining contractual life (years)	0.43
Expiry date	March 5, 2017

(EXPRESSED IN CANADIAN DOLLARS)

8. WARRANTS

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2015	$ **3,475,000**	$ 0.26
Expired	**(75,000)**	2.50
Balance, December 31, 2015	**3,400,000**	0.21
Balance, June 30, 2016	**7,103,500**	0.3
Expired	**(900,000)**	0.50
Balance, September 30, 2016	**6,203,500**	
Exercised	**(2,080,000)**	
Balance, December 31, 2016	$ **4,123,500**	0.2

The following are the warrants outstanding at December 31, 2016:

Number of warrants	2,500,000	3,703,500
Exercise price	0.10	0.075
Remaining contractual life (years)	0.43	1.65
Expiry date	March 5, 2017	May 26, 2018

9. STOCK OPTIONS

The Company has an incentive stock option plan in place with the TSX Venture Exchange ("TSXV"), under which it is authorized to grant options to executive officers, directors, employees and consultants. The Company has implemented a fixed plan, whereby it may not exceed a total of 793,000 options under the plan. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, subject to all applicable regulatory requirements. The options can be granted for a maximum term of five years and vest as determined by the Board of Directors.

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2015 and December 31, 2015	$ **362,100**	$ 2.00
	362,100	2.00
Balance, June 30, 2016	**362,100**	2.00
Expired	**(40,000)**	(2.00)
Balance, December 31, 2016	**322,100**	2.00

(EXPRESSED IN CANADIAN DOLLARS)

9. STOCK OPTIONS *(Continued)*

Stock options outstanding as at September 30, 2016 are as follows:

Number of Stock Options	37,500	50,000	234,600
Exercise Price ($)	2.00	2.00	2.00
Remaining Contractual Life (years)	0.76	1.62	1.76
Expiry Date	July 5, 2017	May 16, 2018	July 4, 2018

10. LOSS PER SHARE

The calculation of basic and diluted (loss) income per share for the three and six months ended December 31, 2016 was based on the (loss) income attributable to common shareholders of ($155,303) (three and six months ended December 31, 2015 - $78,780 and $49,613 respectively) and the weighted average number of common shares outstanding of 19,068,215 (three and six months ended December 31, 2015 - 11,131,322). Diluted (loss) income per share did not include the effect of warrants, Compensation Units or stock options as the effect of these warrants, Compensation Units and stock options was anti-dilutive. Out-of-the-money warrants, Compensation Units and stock options are considered to be anti-dilutive.

11. GENERAL AND ADMINISTRATIVE

	Six Months Ended December 31, 2016	Six Months Ended December 31, 2015
Office and miscellaneous	**$ 72,258**	$ 135,141
Accounting and audit fees	**20,364**	18,663
Legal fees	**5,254**	2,897
Investor relations	**7,234**	230
Rent	**12,000**	-
	$ 117,111	$ 156,931

12. RELATED PARTY TRANSACTIONS

	Six Months Ended December 31, 2016	Six Months Ended December 31, 2015
Adrea Capital Corporation ("Adrea") (i)	**$ 30,000**	$ 32,585
Marrelli Support Services Inc. ("Marrelli Support") (ii)	**-**	6,925
DSA Corporate Services Inc. ("DSA") (iii)	**-**	771
Herb Brugh (iv)	**14,000**	30,583
	$ 44,000	$ 70,864

i) D. Randall Miller, a director of Inspiration Mining Corporation ("Inspiration"), a related company under common control, controls Adrea. On September 16, 2011, the Company signed a sublease

12. RELATED PARTY TRANSACTION (Continued)

agreement with Adrea for a five year term commencing on February 1, 2011 and expired on January 31, 2016. The lease payments are $5,430 per month for the term of the lease. During the six months ended December 31, 2016, the Company paid or accrued Adrea 30,000 (three and six months ended December 31, 2015 - $15,000 and $30,000, respectively), in management fees and $nil (three and six months ended December 31, 2015 - $16,292 and $32,585, respectively) in rent. Both management fees and rent are included in office and miscellaneous. As at December 31, 2016, this company was owed $81,295 (June 30, 2016 $151,295) which is included in accounts payable and accrued liabilities.

ii) For the six months ended December 31, 2016, the Company expensed $nil (three and six months ended December 31, 2015 - $6,925 and $13,463, respectively) to Marrelli Support for Chief Financial Officer ("CFO") fees. Marrelli Support also provides bookkeeping services. Carmelo Marrelli was the president of Marrelli Support and the former CFO of Nitinat and resigned on June 1, 2016. Included in the September 30, 2016 accounts payable and accrued liabilities is $50,513 due to Marrelli Support (June 30, 2016 - $50,513).

iii) For the six months ended December 31, 2016, the Company expensed $nil (three and six months ended December 31, 2015 - $396 and $771, respectively) to DSA for corporate secretarial services. DSA is a private company controlled by Carmelo Marrelli, the former CFO of the Company. Included in the December 31, 2016 accounts payable and accrued liabilities is $614 due to DSA (June 30, 2016 - $614).

iv) For the three and six months ended December 31, 2016, the Company expensed $14,000 (three and six months ended December 31, 2015 - $15,013 and $30,583, respectively) to Herb Brugh for Chief Executive Officer Fees. Included in the December 31, 2016 accounts payable and accrued liabilities is $23,276 due to Herb Brugh (June 30, 2016 - $135,698).

v) As at December 31, 2016, Inspiration was owed $16,048 (June 30, 2016 $104,997) and the amount is unsecured and due on demand. During the three and six months ended December 31, 2016 the company accrued $nil (three and six months ended December 31, 2015 - $nil) in interest to Inspiration.

13. LITIGATION

In August 2013, litigation was commenced against the Company, Inspiration and certain present and past directors and officers of the Company and Inspiration. The litigation was commenced by certain shareholders of Inspiration claiming certain actions undertaken by Inspiration have been oppressive and have caused undue prejudice and disregarded the interests of the plaintiffs. The plaintiffs have not set out the quantum of damages that they are seeking. No specific allegations are made towards the Company other than the Company is a related company of Inspiration. The Company is of the opinion that the litigation is at the preliminary stage and the outcome is cannot to be determined.

14. CONTINGENCIES

- In August 26, 2016 litigation was commenced against the Company, its offices and directors by the previous CFO and accountant for the Company's CFO and accounting services. The Company is of the opinion that the claim against the directors and officers is without merit. As of December 31, 2016, the Company has established a litigation provision of $50,513 in regard to its litigation exposure recorded in accounts payable.