



MINERAL MOUNTAIN RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended December 31, 2017

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report.

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note	December 31, 2017	March 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 1,609,195	\$ 852,069
Sales tax recoverable		11,787	14,415
Prepaid expenses and deposits	5	176,725	82,024
		1,797,707	948,508
Non-current assets			
Exploration and evaluation assets	7	4,041,577	3,355,797
Restricted cash	8	18,745	19,148
Property and equipment	6	14,288	8,916
		4,074,610	3,383,861
Total assets		\$ 5,872,317	\$ 4,332,369
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	9	\$ 279,390	\$ 234,232
Amounts due to related parties	10	221,478	303,940
Total liabilities		500,868	538,172
Equity			
Share capital		41,382,202	39,234,693
Share subscription proceeds		76,200	-
Share-based payments reserve		2,933,081	3,242,901
Deficit		(39,020,034)	(38,683,397)
Total equity		5,371,449	3,794,197
Total liabilities and equity		\$ 5,872,317	\$ 4,332,369

Commitments (Note 7 & 12)

Events after the reporting period (Note 18)

The financial statements were authorised for issue by the board of directors on February 19, 2018 and were signed on its behalf by:

“Nelson W. Baker”

Director

“Barry Coughlan”

Director

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

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)

	Note	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Nine Months Ended December 31, 2017	Nine Months Ended December 31, 2016
EXPENSES					
Consulting	10	\$ 117,300	\$ 61,500	\$ 288,852	\$ 176,500
Depreciation	6	-	1,987	-	5,961
Media and news dissemination		26,186	8,306	41,430	25,276
Office and miscellaneous	10	28,650	15,420	78,433	35,097
Professional fees	10	61,132	33,096	88,479	75,945
Rent		24,344	24,291	74,684	73,691
Share-based payments		-	-	82,104	1,257,319
Transfer agent and filing fees		7,604	14,076	18,362	29,987
Travel and conference		20,658	5,229	36,074	8,497
		(285,874)	(158,676)	(708,418)	(1,688,273)
OTHER ITEMS					
Interest income		97	-	742	30
Foreign exchange		(798)	2,269	(20,885)	3,633
Gain on sale of marketable securities		-	-	-	16,612
Extinguishment of accounts payable		-	-	-	14,394
Write-off of exploration and evaluation assets	7	-	-	-	(8,243,110)
		(701)	2,269	(20,143)	(8,208,441)
Net loss for the period		(286,575)	(156,407)	(728,561)	(9,896,714)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Fair value gain (loss) on marketable securities		-	-	-	12,862
Reclassification of realized gain on sale of marketable securities		-	-	-	(16,612)
		-	-	-	(3,750)
Comprehensive loss for the period		\$ (286,575)	\$ (156,407)	\$ (728,561)	\$ (9,900,464)
Basic and diluted loss per common share	11	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.22)

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

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)

	Note	Number of Shares	Share capital	Share-based payments reserve	Share subscription proceeds	Deficit	Total equity
Balance, March 31, 2017		51,915,172	\$ 39,234,693	\$ 3,242,901	\$ -	\$ (38,683,397)	\$ 3,794,197
Comprehensive loss for the period		-	-	-	-	(728,561)	(728,561)
Transactions with owners							
Private placements	11	11,130,000	2,226,000	-	-	-	2,226,000
Share subscription proceeds	11	-	-	-	76,200	-	76,200
Share issuance costs	11	-	(78,491)	-	-	-	(78,491)
Share-based payments	12	-	-	82,104	-	-	82,104
Adjustment on expiration of stock options		-	-	(391,924)	-	391,924	-
		11,130,000	2,147,509	(309,820)	76,200	391,924	2,305,813
Balance, December 31, 2017		63,045,172	\$ 41,382,202	\$ 2,933,081	\$ 76,200	\$ (39,020,034)	\$ 5,371,449

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

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)

	Note	Number of Shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total equity
Balance, March 31, 2016		40,419,070	\$ 35,370,506	\$ 1,994,333	\$ 3,750	\$ (28,598,629)	\$ 8,769,960
Comprehensive loss							
Loss for the period		-	-	-	-	(9,896,714)	(9,896,714)
Other comprehensive loss for the period		-	-	-	(3,750)	-	(3,750)
Comprehensive loss for the period		-	-	-	(3,750)	(9,896,714)	(9,900,464)
Transactions with owners							
Acquisition of exploration and evaluation assets	11	4,500,000	1,720,000	-	-	-	1,720,000
Private placements	11	2,620,000	1,048,000	-	-	-	1,048,000
Exercise of warrants	11	255,600	100,020	-	-	-	100,020
Exercise of agents' warrants	11	171,640	65,165	(22,255)	-	-	42,910
Share issuance costs	11	-	(76,761)	33,433	-	-	(43,328)
Share-based payments	12	-	-	1,257,319	-	-	1,257,319
Adjustment on expiration of stock options		-	-	(45,544)	-	45,544	-
Transactions with owners		7,547,240	2,856,424	1,222,953	-	45,544	4,124,921
Balance, December 31, 2016		47,966,310	\$ 38,226,930	\$ 3,217,286	\$ -	\$ (38,449,799)	\$ 2,994,417

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

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED DECEMBER 31
(Unaudited – Prepared by Management)

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		\$ (728,561)	\$ (9,896,714)
Items not affecting cash:			
Depreciation		-	5,961
Extinguishment of accounts payable		-	14,394
Foreign exchange		403	-
Share-based payments		82,104	1,257,319
Gain on sale of marketable securities		-	(16,612)
Write-off of exploration and evaluation assets		-	8,243,110
Changes in non-cash working capital items:			
Sales tax recoverable		2,628	(3,082)
Prepaid expenses and deposits		(94,701)	17,385
Trade and other payables		17,032	(41,819)
Amounts due to related parties		(82,462)	15,014
Net cash used in operating activities		(803,557)	(433,832)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation assets		(667,506)	(704,013)
Restricted cash		-	(19,205)
Purchase of equipment		(6,650)	-
Proceeds from sale of marketable securities		-	83,778
Net cash provided by (used in) investing activities		(674,156)	(639,440)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital		2,226,000	1,190,930
Proceeds from share subscriptions		76,200	-
Share issuance costs		-	(43,328)
Loan repayment		(67,361)	(15,000)
Net cash provided by financing activities		2,234,839	1,132,602
Change in cash and cash equivalents during the period		757,126	59,330
Cash and cash equivalents, beginning of the period		852,069	73,200
Cash and cash equivalents, end of the period	4	\$ 1,609,195	\$ 132,530

Supplemental disclosures with respect to cash flows (Note 13)

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

1. NATURE OF BUSINESS

Mineral Mountain Resources Ltd. (the “Company”) was incorporated on September 1, 2006 under the laws of British Columbia, Canada and maintains its head office at Suite 401, 1195 West Broadway, Vancouver, British Columbia, Canada, V6H 3X5. Its registered office is located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The Company is engaged in the acquisition, exploration, and development of mineral properties in North America. The Company’s common shares are listed on the TSX Venture Exchange (TSX-V) under the symbol “MMV” and on the OTCQX under the symbol “MNRLF”.

2. BASIS OF PREPARATION

These condensed unaudited interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by International Accounting Standards Board (“IASB”), applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The condensed unaudited interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended March 31, 2017, which have been prepared in accordance with IFRS as issued by the IASB.

These interim consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of measurement

These interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Going concern of operations

The Company is an exploration stage company. The Company has a history of losses with no operating revenue. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the assets. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company’s ability to raise funds in the short term, adopt the going concern basis in preparing its consolidated financial statements.

These consolidated financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

2. BASIS OF PREPARATION (cont'd...)

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is functional currency of the Company and its subsidiary.

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) The determination of the fair value of stock options and agent's warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.
- ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.
- iii) The classification of financial instruments.
- iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.
- v) The determination of whether a decline in the fair value of a financial asset classified as available-for-sale is prolonged and /or significant and is therefore an impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual consolidated financial statements for the year ended March 31, 2017 were consistently applied to all the periods presented unless otherwise noted below.

Comparative information

Certain comparative information in these consolidated financial statements has been reclassified to conform to the presentation of the current period financial statements.

New accounting policies

There were no new standards effective April 1, 2017 that had an impact on the Company's consolidated financial statements.

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. The Company has not applied these new standards in preparing these consolidated financial statements. The following pronouncements are considered by the Company to be the most significant of several pronouncements that may affect the consolidated financial statements in future periods.

- New standard IFRS 9 *Financial Instruments* ("IFRS 9") has been issued by the IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements.
- New standard IFRS 16 *Leases* ("IFRS 16") has been issued by the IASB to replace IAS 17 *Leases* and the related interpretive guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15 *Revenue*. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements.

Other new standards or interpretations with future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

4. CASH AND CASH EQUIVALENTS

	December 31, 2017	March 31, 2017
Cash	\$ 1,609,195	\$ 502,069
Guaranteed investment certificates	-	350,000
	<u>\$ 1,609,195</u>	<u>\$ 852,069</u>

MINERAL MOUNTAIN RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED DECEMBER 31, 2017
(Unaudited – Prepared by Management)

5. PREPAID EXPENSES AND DEPOSITS

	December 31, 2017	March 31, 2017
Exploration deposits	\$ 25,465	\$ 26,840
Prepaid expenses	120,810	24,734
Rental deposit	30,450	30,450
	\$ 176,725	\$ 82,024

6. PROPERTY AND EQUIPMENT

	Field equipment
Cost	
Balance as at March 31, 2017	\$ 13,717
Additions	6,650
Balance as at December 31, 2017	20,367
Accumulated depreciation	
Balance as at March 31, 2017	4,801
Depreciation for the period	1,278
Balance as at December 31, 2017	6,079
Net value as at December 31, 2017	\$ 14,288

	Computer software	Office furniture & equipment	Field equipment	Total
Cost				
Balance as at March 31, 2016 and 2017	\$ 231,871	\$ 83,404	\$ 13,717	\$ 328,992
Accumulated depreciation				
Balance as at March 31, 2016	229,026	78,301	3,429	310,756
Depreciation for the year	2,845	5,103	1,372	9,320
Balance as at March 31, 2017	231,871	83,404	4,801	320,076
Net value as at March 31, 2017	\$ -	\$ -	\$ 8,916	\$ 8,916

During the nine months ended December 31, 2017, the Company expensed \$nil (2016 - \$5,961) in depreciation to the statement of comprehensive loss and capitalized \$1,278 (2016 - \$1,029) to exploration and evaluation assets.

MINERAL MOUNTAIN RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED DECEMBER 31, 2017
(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION ASSETS

	March 31, 2016	Additions/ (Recoveries)	Write-offs	March 31, 2017	Additions/ (Recoveries)	December 31, 2017
Rochford Project, South Dakota						
Acquisition costs						
Option payments	\$ -	\$ 1,696,500	\$ -	\$ 1,696,500	\$ 127,350	\$ 1,823,850
Staking and other property costs	366,207	507,136	-	873,343	120,570	993,913
	366,207	2,203,636	-	2,569,843	247,920	2,817,763
Exploration costs						
Assays	674	-	-	674	28	702
Equipment rental	2,042	3,255	-	5,297	3,829	9,126
Field work	1,389	80	-	1,469	9,387	10,856
Geological consulting	118,535	161,168	-	279,703	312,980	592,683
Geophysical survey	224,903	-	-	224,903	63,800	288,703
Miscellaneous	30,661	178,526	-	209,187	12,560	221,747
State and local taxes	24,297	17,419	-	41,716	14,311	56,027
Travel	15,018	7,987	-	23,005	20,965	43,970
	417,519	368,435	-	785,954	437,860	1,223,814
	\$ 783,726	\$ 2,572,071	\$ -	\$ 3,355,797	\$ 685,780	\$ 4,041,577

-Continued-

MINERAL MOUNTAIN RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED DECEMBER 31, 2017
(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

<i>Continued...</i>	March 31, 2016	Additions/ (Recoveries)	Write-offs	March 31, 2017	Additions/ (Recoveries)	December 31, 2017
Holy Terror Project, South Dakota						
Acquisition costs						
Option payments	\$ 3,567,666	\$ -	\$ (3,567,666)	\$ -	\$ -	\$ -
Staking and other property costs	404,840	-	(404,840)	-	-	-
	3,972,506	-	(3,972,506)	-	-	-
Exploration costs						
Accommodation/camp	58,953	-	(58,953)	-	-	-
Assays	377,445	-	(377,445)	-	-	-
Drilling	1,600,137	-	(1,600,137)	-	-	-
Equipment rental	43,512	-	(43,512)	-	-	-
Field work	387,046	-	(387,046)	-	-	-
Geological consulting	1,156,778	-	(1,156,778)	-	-	-
Geophysical survey	291,603	-	(291,603)	-	-	-
Miscellaneous	114,293	-	(114,293)	-	-	-
State and local taxes	115,197	(23,585)	(91,612)	-	-	-
Travel	149,225	-	(149,225)	-	-	-
	4,294,189	(23,585)	(4,270,604)	-	-	-
	8,266,695	(23,585)	(8,243,110)	-	-	-
Total	\$ 9,050,421	\$ 2,548,486	\$ (8,243,110)	\$ 3,355,797	\$ 685,780	\$ 4,041,577

MINERAL MOUNTAIN RESOURCES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****NINE MONTHS ENDED DECEMBER 31, 2017**

(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Rochford Project, South Dakota**

The Company's Rochford project is located in the Rochford Mining District of the Black Hills, South Dakota. The Rochford project includes the following properties:

Rochford Claims

During the year ended March 31, 2013, the Company staked 289 unpatented mineral claims ("Rochford Claims") situated in the Rochford Mining District of the Black Hills, South Dakota, at a cost of \$191,390.

During the year ended March 31, 2017, the Company staked an additional 150 unpatented federal lode mining claims for approximately \$81,400.

BHB Claims

On March 7, 2016, the Company and its wholly-owned US subsidiary entered into a purchase and sale agreement ("BHB Agreement") with four individuals (collectively the "Owners") to purchase a 100% interest in 19 unpatented lode mineral claims ("BHB Claims") located in the Rochford Mining District and the historical database pertaining to the BHB Claims in consideration of 4,000,000 shares of the Company (issued during the year ended March 31, 2017 with a fair value of \$1,500,000).

In addition, the Company agreed to grant the Owners a collective 2% net smelter returns royalty ("NSR") on the BHB Claims, a collective 1% NSR on the Company's Rochford Claims and a collective 1.5% NSR on claims falling within the area of mutual interest ("Area of Interest Claims Royalty"). The Area of Interest Claims Royalty will only be granted if the acquired property or properties are not already burdened with a royalty.

Standby Property

On September 2, 2016, the Company and its wholly-owned US subsidiary entered into an option agreement to acquire a 100% interest in the 9 patented lode mineral claims located in the Rochford Mining District. To earn its 100% interest, the Company is required to make cash payments of US\$500,000 to the optionor over a three year period as follows:

- pay US\$150,000 by upon execution of the option agreement (paid);
- pay additional US\$100,000 by September 2, 2017 (paid) ;
- pay additional US\$100,000 by September 2, 2018; and
- pay additional US\$150,000 by September 2, 2019.

In addition, the Company agreed to grant the optionor a 2% NSR and the Company has the option to purchase up to one-half of the NSR (1% NSR) at the price of US\$1,500,000 for 1% NSR or a proportionate amount if the Company purchases less than 1% of the NSR.

On September 23, 2016, the Company purchased a digital database relating to the Standby property in consideration of US\$75,000 (paid) and 500,000 common shares of the Company (issued with a fair value of \$220,000).

MINERAL MOUNTAIN RESOURCES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****NINE MONTHS ENDED DECEMBER 31, 2017**

(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Holy Terror Project, South Dakota**

On May 30, 2012, the Company signed an option agreement ("Holy Terror Agreement") with the Holy Terror Mining Company ("Holy Terror Mining"), whereby Holy Terror Mining granted the Company the exclusive working right and option to acquire up to a 75% interest in certain mineral claims located in the Keystone Mining District, Pennington County, South Dakota. Pursuant to the Holy Terror Agreement and subsequent amendment signed on October 8, 2013, the Company was required to make cash payments of US\$1,000,000, issue 10,000,000 common shares and incur US\$7,500,000 in exploration expenditures by May 30, 2022 to earn a 60% interest in the property. The Company had paid US\$750,000, issued 10,000,000 common shares (with a fair value of \$962,500) and incurred approximately US\$5,170,000 of deemed exploration expenditures.

In October 2016, the Company decided to direct all of its attention and financial resources to the development and advancement of the Company's 100% owned Rochford property and not to continue with Holy Terror project. The Company received notice of default from Holy Terror Mining and the Holy Terror Agreement was terminated. As a result the Company wrote off the Holy Terror property acquisition and exploration costs totaling \$8,243,110 for the year ended March 31, 2017.

8. RESTRICTED CASH

The Company has provided corporate credit cards to its Chief Executive Officer with a credit limit totalling \$16,650 (\$10,000 in Canadian and \$5,000 in US) for the Company's expenses. As collateral for the credit cards, the Company has a one-year term deposit of \$11,500 earning annual interest at the prime rate minus 2.10% and a one-year US term deposit of US\$5,750 earning annual interest of 0.2%. As at December 31, 2017, the credit cards had an outstanding balance of \$3,252 (March 31, 2017- \$1,180) in total.

9. TRADE AND OTHER PAYABLES

	December 31, 2017	March 31, 2017
Trade payables	\$ 265,760	\$ 216,951
Accrued expenses	13,630	17,281
	<u>\$ 279,390</u>	<u>\$ 234,232</u>

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and accrued expenses for operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

MINERAL MOUNTAIN RESOURCES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****NINE MONTHS ENDED DECEMBER 31, 2017**

(Unaudited – Prepared by Management)

10. RELATED PARTY TRANSACTIONS

Amounts due to related parties were for services rendered to the Company by the directors and officers or companies controlled by its directors and officers and are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management includes directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the nine month periods ended December 31 is as follows:

	2017	2016
Consulting fees	\$ 192,000	\$ 167,500
Office and miscellaneous	13,500	-
Professional fees	39,400	16,043
Share-based payments	-	1,034,468
Total	\$ 244,900	\$ 1,218,011

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the nine month period ended December 31, 2017:

- a) Incurred consulting fees of \$122,000 (2016 - \$77,500) to three companies controlled separately by three directors of the Company.
- b) Incurred consulting fees of \$45,000 (2016 - \$45,000) to a director of the Company.
- c) Incurred office expenses of \$13,500 (2016 - \$nil) to a company controlled by a director of the Company.
- d) Incurred professional fees of \$14,125 (2016 - \$16,043) to a company which a director of the Company is an officer.
- e) Incurred professional fees of \$25,275 (2016 - \$nil) and consulting fees of \$25,000 (2016 - \$nil) to a company controlled by the Chief Financial Officer of the Company.
- f) Incurred consulting fees of \$nil (2016 - \$45,000) to a company controlled by the former Chief Financial Officer of the Company.

The Company has entered into four consulting agreements with a director and three companies controlled separately by two directors and an officer of the Company for management and corporate consulting services for a total monthly fee of \$27,000 plus applicable taxes. These agreements are for a one year term and continue thereafter on a month to month basis and may be terminated with a six month notice or a termination payment equal to six months' remuneration.

11. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At at December 31, 2017, the Company had 63,045,172 common shares outstanding (March 31, 2017 - 51,915,172).

Share issuance

During the nine months ended December 31, 2017, the Company:

- a) Completed a non-brokered private placement of 11,130,000 units at a price of \$0.20 per unit for gross proceeds of \$2,226,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.35 in the first 12 months and at an exercise price of \$0.50 in the second 12 months. No value was allocated to the warrants based on the residual method. The Company paid \$65,792 as a finders' fee. The Company also incurred filing and other expenses of \$12,698 in connection with the private placement.

During the year ended March 31, 2017, the Company:

- a) Issued 4,000,000 common shares with a fair value of \$1,500,000 pursuant to the BHB Agreement (Note 9). The Company incurred a filing fee of \$3,500 in connection with the issuance.
- b) Issued 500,000 common shares with a fair value of \$220,000 pursuant to the digital database purchase agreement relating to the Standby property (Note 9).
- c) Completed a non-brokered private placement of 2,620,000 units at a price of \$0.40 per unit for gross proceeds of \$1,048,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.60 in the first 12 months and at an exercise price of \$0.90 in the second 12 months. No value was allocated to the warrants based on the residual method. The Company paid \$33,140 and issued 83,100 finder's warrants as a finders' fee. The finder's warrants have the same terms as the warrants issued under the private placement. The finder's warrants were valued at \$33,433 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.58%, an expected life of 2 year, annualized volatility of 225.60% and a dividend rate of 0%). The Company also incurred filing and other expenses of \$6,688 in connection with the private placement.
- d) Completed a non-brokered private placement of 3,948,862 units at a price of \$0.275 per unit for gross proceeds of \$1,085,937. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.40 in the first 12 months and at an exercise price of \$0.55 in the second 12 months. No value was allocated to the warrants based on the residual method. The Company paid \$66,391 as a finders' fee. The Company also incurred filing and other expenses of \$11,783 in connection with the private placement.
- e) Issued 255,600 common shares at prices ranging from \$0.25 to \$0.45 per share from the exercise of warrants for gross proceeds of \$100,020.
- f) Issued 171,640 common shares at \$0.25 per share from the exercise of agent's warrants for gross proceeds of \$42,910. Accordingly, \$22,255 was transferred from share-based payments reserve to capital stock.

MINERAL MOUNTAIN RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED DECEMBER 31, 2017
(Unaudited – Prepared by Management)

11. SHARE CAPITAL (cont'd...)

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine months ended December 31, 2017 was based on the loss attributable to common shareholders of \$441,986 (2016 - \$9,896,714) and a weighted average number of common shares outstanding of 52,886,517 (2016 - 44,257,092).

At December 31, 2017, 4,575,000 stock options (2016 - 4,610,000), 19,623,862 warrants (2016 - 5,814,000), and 83,100 agent's warrants (2016 - 83,100) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

12. SHARE-BASED PAYMENTS

Stock options

The Company has adopted an incentive rolling stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to a maximum of 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors. Options granted to employees or consultants performing investor relations will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period. The exercise price of options granted under the Plan shall not be less than the closing price of the Company's shares on the trading day immediately preceding the date of grant, less the discount permitted under the TSX-V's policies.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2016	415,000	\$ 1.53
Granted	4,325,000	0.31
Expired	<u>(30,000)</u>	2.50
Balance, March 31, 2017	4,710,000	\$ 0.40
Granted	450,000	0.23
Expired	<u>(585,000)</u>	1.04
Balance, December 31, 2017	4,575,000	\$ 0.30
Exercisable at December 31, 2017	4,575,000	\$ 0.30
Weighted average fair value of options granted during the period	\$ 0.18	(2016 - \$0.30)

The options outstanding at December 31, 2017 have an exercise price in the range of \$0.23 to \$0.455 and a weighted average remaining contractual life of 1.64 years.

MINERAL MOUNTAIN RESOURCES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****NINE MONTHS ENDED DECEMBER 31, 2017**

(Unaudited – Prepared by Management)

12. SHARE-BASED PAYMENTS (Cont'd...)**Stock options (Cont'd...)**

The total share-based payments calculated for stock options granted during the nine months ended December 31, 2017 was \$82,104 (2016 - \$1,257,319) using the Black-Scholes option pricing model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2017	2016
Risk-free interest rate	1.16%	0.54%
Expected life of options	2 Years	3.12 Years
Annualized volatility	194.58%	204.35%
Dividend rate	Nil	Nil

As at December 31, 2017 the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
3,975,000	\$ 0.30	June 14, 2019
250,000	\$ 0.23	July 7, 2019
250,000	\$ 0.455	September 22, 2021
100,000	\$ 0.30	February 1, 2022
4,575,000		

Warrants

Warrants are issued as private placement incentives. Value was allocated to the warrants issued with private placement units based on the residual method. Agents' warrants are measured at fair value on the date of the grant as determined using the Black-Scholes option pricing model.

MINERAL MOUNTAIN RESOURCES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

NINE MONTHS ENDED DECEMBER 31, 2017

(Unaudited – Prepared by Management)

12. SHARE-BASED PAYMENTS (Cont'd...)**Warrants (Cont'd...)**

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2016	10,833,640	\$ 0.41
Warrants issued	6,568,862	0.48
Agent's warrants issued	83,100	0.60
Warrants exercised	(255,600)	0.39
Agent's warrants exercised	(171,640)	0.25
Warrants expired	(7,212,400)	0.45
Balance, March 31, 2017	9,845,962	0.43
Warrants issued	11,130,000	0.35
Warrants expired	(1,269,000)	0.45
Balance, December 31, 2017	19,706,962	\$ 0.43
Exercisable at December 31, 2017	19,706,962	\$ 0.43

The warrants outstanding at December 31, 2017 have an exercise price in the range of \$0.25 to \$0.90 and a weighted average remaining contractual life of 1.55 year.

As at December 31, 2017, the following warrants were outstanding:

	Number of Warrants	Exercise Price	Expiry Date
Warrants			
	1,925,000	\$ 0.45	March 1, 2019
	2,620,000	\$ 0.90	September 19, 2018
	3,948,862	\$ 0.40	March 23, 2018
		\$ 0.55	March 23, 2019
	11,130,000	\$ 0.35	December 7, 2018
		\$ 0.50	December 7, 2019
	19,623,862		
Agents' warrants			
	83,100	\$ 0.90	September 19, 2018
	19,706,962		

MINERAL MOUNTAIN RESOURCES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****NINE MONTHS ENDED DECEMBER 31, 2017****(Unaudited – Prepared by Management)**

13. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash investing and financing transactions during the nine month period ended December 31, 2017 included:

- (a) The Company allocated depreciation of equipment of \$1,278 to exploration and evaluation assets.
- (b) Included in trade and other payables are \$221,478 related to exploration and evaluation assets.
- (c) Included in trade and other payables are \$11,130 related to share issuance costs.

Significant non-cash investing and financing transactions during the nine month period ended December 31, 2016 included:

- (a) The Company issued 4,000,000 common shares with a fair value of \$1,500,000 pursuant to the BHB Agreement.
- (b) The Company issued 500,000 common shares with a fair value of \$220,000 pursuant to the digital database purchase agreement relating to the Standby property.
- (c) The Company allocated depreciation of equipment of \$1,029 to exploration and evaluation assets.
- (d) Included in trade and other payables are \$266,655 related to exploration and evaluation assets.
- (e) Included in prepaid expenses are \$21,236 related to exploration and evaluation assets

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, pursue exploration of its mineral property interest and to maintain a flexible capital structure for the benefits of its stakeholders. In the management of capital, the Company includes components of shareholders' equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets.

Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved. There was no change in the Company's approach to capital management from the prior year. The Company's capital is not subject to any external restrictions.

15. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and cash equivalents and restricted cash classified as loans and receivables and measured at amortized cost; trade and other payables and amounts due to related parties as other financial liabilities and measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents and restricted cash. The credit risk with respect to its cash and cash equivalents and restricted cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at December 31, 2017, the Company had a cash balance of \$1,609,195 and current liabilities of \$500,868. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions. The interest rate risks on cash and cash equivalents and restricted cash are not considered significant due to their short-term nature and maturity.

Foreign exchange rate risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. At December 31, 2017, the Company had financial assets of \$469,870 and financial liabilities of \$216,831 denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately \$2,500. The Company does not hedge its foreign exchange risk.

MINERAL MOUNTAIN RESOURCES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****NINE MONTHS ENDED DECEMBER 31, 2017**

(Unaudited – Prepared by Management)

16. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at December 31, 2017 and March 31, 2017, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the nine month period ended December 31, 2017.

17. SEGMENTED INFORMATION**Operating segments**

The Company operates in a single reportable segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The Company's non-current assets are located in Canada the USA as follows:

At December 31, 2017:

	Canada	USA	Total
Property and equipment	\$ -	\$ 14,288	\$ 14,288
Exploration and evaluation assets	-	4,041,577	4,041,577
	\$ -	\$ 4,055,865	\$ 4,055,865

At March 31, 2017:

	Canada	USA	Total
Property and equipment	\$ -	\$ 8,916	\$ 8,916
Exploration and evaluation assets	-	3,355,797	3,355,797
	\$ -	\$ 3,364,713	\$ 3,364,713

MINERAL MOUNTAIN RESOURCES LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED DECEMBER 31, 2017

(Unaudited – Prepared by Management)

18. EVENTS AFTER THE REPORTING PERIOD

Subsequent to December 31, 2017, the Company:

- a) Completed the second tranche of the non-brokered private placement announced in October 2017 and issued 3,326,000 units at a price of \$0.20 per unit for gross proceeds of \$665,200. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.35 in the first 12 months and at an exercise price of \$0.50 in the second 12 months.
- b) Issued 40,000 common shares at \$0.25 per share from the exercise of warrants for gross proceeds of \$10,000.
- c) Granted stock options to certain consultants of the Company to purchase 575,000 common shares at an exercise price of \$0.35 per share for a period of 3 years.
- d) Granted stock options to directors and officers of the Company to purchase 1,275,000 common shares at an exercise price of \$0.35 per share for a period of 5 years.
- e) Granted stock options to a director of the Company to purchase 150,000 common shares at an exercise price of \$0.39 per share for a period of 5 years.
- f) Began trading on OTCQX on February 13, 2018.