
MINFOCUS EXPLORATION CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MAY 31, 2018 AND 2017
(EXPRESSED IN CANADIAN DOLLARS)
UNAUDITED

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements of Minfocus Exploration Corp. (the "Company") are the responsibility of the Directors.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board appropriate in the circumstances.

Management has established processes, which are in place to provide sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(s) Kenneth de Graaf
Chief Executive Officer

(s) Jody Bellefleur
Chief Financial Officer

Vancouver, Canada

July 27, 2018

Minfocus Exploration Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited – prepared by management

	May 31, 2018 \$	February 28, 2018 \$
ASSETS		
Current assets		
Cash	15,039	14,098
Amounts receivable and prepaid expenses	10,387	3,322
Total current assets	25,426	17,420
Equipment (Note 6)	9,515	10,016
Interest in exploration properties and exploration and evaluation expenditures (Note 7)	1,788,748	1,767,467
Total assets	1,823,689	1,794,903
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables (Note 10(b))	95,619	156,713
Loan (Note 13)	22,050	750
Total liabilities	117,669	157,463
Shareholders' equity		
Issued capital (Note 8)	7,001,986	6,951,782
Equity reserve (Note 8)	247,801	241,841
Deficit	(5,543,767)	(5,556,183)
Total shareholders' equity	1,706,020	1,637,440
Total shareholders' equity and liabilities	1,823,689	1,794,903

Going concern (Note 1)
 Commitments and contingencies (Notes 7 and 13)
 Subsequent events (Note 14)

These financial statements were approved by the Board of Directors and authorized for issue on July 27, 2018.

 (s) Kenneth de Graaf, Director

 (s) Graham Wilson, Director

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Minfocus Exploration Corp.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****For the three months years ended May 31, 2018 and 2017****Expressed in Canadian Dollars****Unaudited – prepared by management**

	2018 \$	2017 \$
General and administrative expenses		
Professional fees	29,690	1,579
Office and administrative (Notes 10(a))	22,128	16,215
General exploration	-	599
Share based compensation (Note 8)	5,960	-
Depreciation	501	625
Interest expense (Note 10(d))	-	2,510
	(58,279)	(21,528)
Other income		
Gain on settlement of shares for debt (Note 8 & 10(b))	70,695	-
Net income (loss) and comprehensive income (loss)	12,416	(21,528)
Basic and diluted net loss per share	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding		
- basic and diluted (Note 9)	73,896,278	59,427,549

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Minfocus Exploration Corp.

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

Unaudited – prepared by management

	2018 \$	2017 \$
Cash flows from operating activities		
Net income (loss) for the period	12,416	(31,330)
Non-cash adjustments:		
Depreciation	501	782
Gain on settlement of debt (Note 8 & 10(b))	(70,695)	-
Share based compensation	5,960	-
Write-off accounts payable	(20,783)	-
Non-cash working capital items:		
Amounts receivable and prepaid expenses	(7,065)	12,242
Trade and other payables	40,305	(10,251)
Cash flows used in operating activities	(18,578)	(18,912)
Cash flows from financing activities		
Loan	21,300	33,077
Cash flows from financing activities	21,300	33,077
Cash flows used in investing activities		
Interest in exploration properties and exploration and evaluation expenditures	(1,781)	(10,622)
Cash flows used in investing activities	(1,781)	(10,622)
Net change in cash	941	3,543
Cash, beginning of period	14,098	7,129
Cash, end of period	15,039	10,672
Supplemental information:		
Change in accounts payable attributable to property exploration	-	(13,000)
Common shares issued for interest in exploration and evaluation properties (Note 7 and Note 8(b)(i) and (iii))	19,500	4,000
Common shares issued for debt (Note 10(b))	30,704	-

The notes to the financial statements are an integral part of these condensed interim consolidated financial statements.

Minfocus Exploration Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

Unaudited – prepared by management

	Number of Shares	Issued Capital \$	Equity Reserve \$	Deficit \$	Total \$
Balance, February 28, 2017	59,340,592	6,404,964	108,833	(5,189,729)	1,324,068
Shares issued for exploration and evaluation properties (Note 8(b)(iii))	200,000	4,000	-	-	4,000
Net loss for the period	-	-	-	(21,528)	(21,528)
Balance, May 31, 2017	59,540,592	6,404,964	108,333	(5,211,257)	1,306,540
	Number of Shares	Issued Capital \$	Equity Reserve \$	Deficit \$	Total \$
Balance, February 28, 2018	73,237,487	6,951,782	241,841	(5,667,965)	1,525,658
Shares issued debt (Note 8(b)(v))	2,027,937	30,704	-	-	30,704
Shares issued for exploration and evaluation properties (Note 8(b)(iii))	1,300,000	19,500	-	-	19,500
Options granted (Note 8)	-	-	5,960	-	5,960
Net income for the period	-	-	-	12,416	12,416
Balance, May 31, 2018	76,565,424	7,001,986	247,801	(5,543,767)	1,706,020

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Minfocus Exploration Corp.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

Unaudited – prepared by management

1. Nature of operations and going concern

Minfocus Exploration Corp. (“Minfocus Exploration” or the “Company”) was incorporated under the British Columbia Business Corporations Act on May 6, 2010. The Company completed its Initial Public Offering (“IPO”) on October 19, 2010 and its shares were listed on the TSX Venture Exchange (the “TSXV”) on October 21, 2010. The Company is principally engaged in the business of exploring and developing base and precious metal mineral properties. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The head office of the Company is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These 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.

As at May 31, 2018, the Company has not earned revenue and has an accumulated deficit of \$5,543,767 (February 28, 2018 - \$5,667,965), had cash of \$15,039 (February 28, 2018 - \$14,098) and a working capital deficit of \$92,243 (February 28, 2018 - \$140,043). 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. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

Minfocus Exploration Corp.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2018 and 2017

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2. Summary of significant accounting policies

(a) *Statement of compliance*

The consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended February 28, 2018. However, this interim financial report provides selected significant disclosures that are required in the annual financial statements under IFRS.

(b) *Basis of presentation and consolidation*

The consolidated financial statements have been prepared on the historical cost basis, except for cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements include the financial statements of the Company and its wholly owned Canadian subsidiaries Minfocus International Inc. (“Minfocus International”) and 2244223 Ontario Inc. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

(i) *New standards not yet adopted and interpretations issued but not yet effective*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after March 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

3. Critical judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates.

Minfocus Exploration Corp.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2018 and 2017

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3. Critical judgements and estimation uncertainties (Continued)

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 7 for details of capitalized exploration and evaluation expenditures.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

4. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of metallic resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which comprises issued capital, equity reserve and accumulated deficit, which totalled \$1,706,020 at May 31, 2018 (February 28, 2018 - \$1,637,440).

The Company invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Company is currently attempting to identify economic base and precious metal resources with an emphasis on zinc, platinum and nickel and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Minifocus Exploration Corp.

Notes to Condensed Interim Consolidated Financial Statements

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4. Capital management (Continued)

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- (i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
- (ii) minimizing discretionary disbursements; and
- (iii) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company's capital management objectives, policies and processes have remained unchanged during the three months ended May 31, 2018 or the year ended February 28, 2018.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of May 31, 2018, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

5. Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes in the risks, objectives, policies and procedures from the previous year.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at May 31, 2018, the Company had a cash balance of \$15,039 (February 28, 2018 - \$14,098) to settle current liabilities of \$117,669 (February 28, 2018 - \$157,463). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Minfocus Exploration Corp.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2018 and 2017

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5. Financial risk factors (Continued)

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt, other than the loan described in Note 10(d). The Company's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and all expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

(c) Commodity price risk

The Company is exposed to price risk with respect to base (copper, nickel and zinc) and platinum-group element (PGE) metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised primarily of GST/HST receivable due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

Sensitivity analysis

As of May 31, 2018 and February 28, 2018, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature.

Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material movements for the three months ended May 31, 2018 or the year ended February 28, 2018 as a result of changes in interest and foreign exchange rates.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of base (copper, nickel and zinc) and platinum-group element (PGE) metals. The prices of these metals have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of base and precious metals with an emphasis on base (copper, nickel and zinc) and platinum-group element (PGE) metal may be produced in the future, a profitable market will exist for them. As of May 31, 2018 and February 28, 2018, the Company was not a producer of any metals. As a result, base and precious metals with an emphasis on zinc, platinum and nickel price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Minfocus Exploration Corp.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

Unaudited – prepared by management

6. Equipment

	Total
<u>Costs</u>	
May 31, 2018 and February 28, 2018	\$ 36,617
<u>Accumulated Amortization</u>	
February 28, 2017	24,097
Additions	2,504
February 28, 2018	26,601
Additions	501
May 31, 2018	\$ 27,102
<u>Net Book Value</u>	
February 28, 2018	\$ 10,016
May 31, 2018	\$ 9,515

Minfocus Exploration Corp.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

Unaudited – prepared by management

7. Interest in exploration properties and exploration and evaluation expenditures

	Nipigon Reefs	Coral	Myst Metals	Peregrine	Peregrine Extension	Round Pond	Total
Balance, February 28, 2017	\$ 1,433,051	\$ 401,226	\$ 37,779	\$ 7,000	\$ -	\$ -	\$1,879,056
Additions during the year –							
Property acquisition costs							
Acquisition and staking costs	9,000	12,000	-	16,000	-	-	37,000
Property exploration costs							
Consultants	-	21,750	-	12,400	-	-	34,150
Equipment rental	3,300	-	-	-	-	-	3,300
Supervision	-	9,250	-	12,312	-	-	21,562
Supplies	-	175	-	488	-	-	663
Travel/meals	-	-	-	11,826	-	-	11,826
Assays	-	1,096	-	1,729	-	-	2,825
Tax credit	-	(13,283)	-	-	-	-	(13,283)
Total additions during the year	3,300	18,988	-	38,755	-	-	61,043
Impairment	(171,853)	-	(37,779)	-	-	-	(209,632)
Balance, February 28, 2018	\$ 1,273,498	\$ 432,214	\$ -	\$ 61,755	\$ -	\$ -	\$1,767,467
Additions during the period –							
Property acquisition costs							
Acquisition and staking costs	-	-	-	5,250	3,000	12,131	20,381
Property exploration costs							
Field supplies and rentals	900	-	-	-	-	-	900
Total additions during the period	900	-	-	5,250	3,000	12,131	20,381
Balance, May 31, 2018	\$ 1,274,398	\$ 432,214	\$ -	\$ 67,005	\$ 3,000	\$ 12,131	\$1,788,748

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Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2018 and 2017

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7. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Nipigon Reefs Property, Ontario

The Nipigon Reefs Property is an exploration project in the Thunder Bay Mining Division of Northwestern Ontario. The property comprises the claims previously referred to as the Springlet Lake Prospect which were staked by the Company, plus the Seagull North Prospect, which was optioned. The staked claims of the Springlet Lake Prospect, valued at \$171,853, have been impaired during the year ended February 28, 2018. The optioned claims are subject to work and payment commitments to the vendors (Canadian International Pharma Corp., Rainy Mountain Royalty Corp. and White Metal Resources) as shown in the table below in order to earn the initial 55% interest in the mineral rights.

February 22, 2011	Contract signed.	Completed
by February 28, 2011	Aggregate cash payments of \$55,000 (paid) and issuance of 50,000 common shares (issued and valued at \$20,000).	Completed
by February 22, 2012 (amended below)	Consideration that is the equivalent to \$25,000 in cash and/or shares of the Company (paid in shares); and incur an aggregate of \$250,000 of expenditures (amended below).	Completed
by April 30, 2012	Minimum commitment to incur \$250,000 of aggregate expenditures per above extended from February 22, 2012 to April 30, 2012 (incurred).	Completed
by February 22, 2013	Consideration that is the equivalent of \$25,000 cash and/or shares (paid \$12,500 and issued 416,667 shares) of the Company; and incur an additional \$250,000 of expenditures (incurred).	Completed
by February 22, 2014 (amended below)	Consideration that is the equivalent of \$25,000 cash and/or shares of the Company (paid in shares); and incur an additional \$250,000 of expenditures (amended below).	Completed
by August 31, 2014	Commitment to incur an additional \$250,000 of expenditures per above extended from February 22, 2014 to August 31, 2014 (incurred).	Completed
by February 22, 2015 (amended below)	Commitment to incur an additional \$250,000 of expenditures by February 22, 2015 extended to September 30, 2015. As consideration for the extension, the Company issued 1,000,000 common shares to the optionors.	Common shares issued
by September 30, 2015 (amended below)	Commitment to incur an additional \$250,000 of expenditures by September 30, 2015 extended to September 30, 2017. As consideration for the extension, the Company issued 500,000 common shares to the optionors.	Common shares issued
by September 30, 2017 (amended below)	Commitment to incur an additional \$250,000 of expenditures by September 30, 2017 extended to September 30, 2018. As consideration for the extension, the Company issued 600,000 common shares to the optionors.	Common shares issued
by September 30, 2018	Incur an additional \$250,000 of expenditures as extended from September 30, 2017 above.	Pending

If the Company incurs a cumulative expenditure balance of \$3,000,000 and issues an additional 1,000,000 shares to the optionors before September 30, 2019, it may earn a 70% undivided interest in the mineral rights. Thereafter each optionor has the right to contribute its proportion of ongoing expenditures or forfeit its proportionate interest and convert to a one percent royalty, which may be purchased by the Company under certain conditions.

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7. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Coral Zinc Project, British Columbia

In January 2015, the Company entered into an agreement under the terms of which it has an option to earn up to an initial 60% interest in the Coral Zinc Project, a zinc project situated in northern British Columbia. The optioned claims are also subject to work and payment commitments to the vendors as shown in the table below in order to earn the initial 60% interest in the mineral rights. The Coral tenures are in good standing with the BC Ministry of Energy & Mines until September 2024. Of the optionors, one is a director and officer of the Company (See Note 10(e)).

January 19, 2015	Contract signed.	Completed
by September 30, 2015	Commitment to incur \$50,000 of expenditures.	Completed
by September 30, 2016	Commitment to incur an additional \$100,000 of expenditures.	Completed
by September 30, 2017	Commitment to incur an additional \$300,000 of expenditures and pay the optionors consideration that is the equivalent of \$20,000 cash and/or shares, at which stage the Company will be deemed to have earned a 20% interest (400,000 shares issued).	Completed
by September 30, 2018	Commitment to incur an additional \$550,000 of expenditures and pay the optionors consideration that is the equivalent of \$40,000 cash and/or shares, at which stage the Company will be deemed to have earned a 40% interest.	Pending
by September 30, 2019	Commitment to incur an additional \$1,000,000 of expenditures and pay the optionors consideration that is the equivalent of \$100,000 cash and/or shares, at which stage the Company will be deemed to have earned a 60% interest.	Pending

After the Company has earned the initial 60% interest, should the optionors not contribute their full pro-rata share of any work program expenditures, the Company can earn an additional 10% interest by expending an additional \$1,000,000 within two years thereafter. The project is subject to a 3% net smelter royalty ("NSR") of which 2% can be bought for \$4,000,000. During the year ended February 28, 2017, the Company allowed certain claims to lapse and as compensation, issued 100,000 shares to the vendors, valued at \$5,000. In August 2017, the Company issued 400,000 shares to acquire an initial 20% of the property.

The Company has pledged a \$10,000 GIC as security under a safekeeping agreement with the Ministry of Finance, British Columbia relating to the application for permits on the Coral Zinc Project. This amount is included in cash on the statement of financial position.

Myst Metals Nickel Property, British Columbia

In October 2014, the Company entered into a letter of agreement under the terms of which it has an option to earn a 100% interest in the Myst Metals Nickel Property, a nickel project situated in northern British Columbia. To earn the interest, the Company is required to make cash payments of \$7,000 and issue 400,000 shares to the optionor over a period of two years. The Company has made the payments and has issued the required shares and has therefore earned the interest in the property. During the year ended February 28, 2018, the claims were allowed to lapse and the carrying value of the property amounting to \$37,779 was written off.

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7. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Peregrine Zinc Project, British Columbia

The project comprises optioned claims supplemented by claims staked by the Company. In January 2017, the Company entered an option earn-in agreement on the Peregrine Project, in southeastern British Columbia. Minifocus can earn a 100% interest over a period of two years by making optional staged payments totaling \$10,000 cash (paid) and issuing 1,000,000 shares (550,000 issued during the year ended February 28, 2018 and 350,000 issued during the three months ended May 31, 2018) plus the grant of a 2% NSR. The Company has the option to repurchase up to 1% of the NSR for \$1,000,000 after commercial production. The Peregrine tenures remain in good standing until September 2021.

Peregrine Zinc Project Extension, British Columbia

On April 11, 2018, the Company entered into an agreement to acquire a 100% interest in a mineral claim contiguous to the Company's Peregrine Zinc Project. Total consideration for the claim is 200,000 shares upon TSX Venture Exchange approval (issued May 11, 2018 with a fair value of \$3,000), plus a payment of \$2,500 or 350,000 shares within 3 months of approval, at the discretion of the Company. A 2.0% Net Smelter Return ("NSR") royalty was granted to the seller, of which \$500,000 can be paid to reduce the royalty to a 1.0% NSR interest.

Round Pond, Newfoundland

In March 2018, the Company entered into an agreement to acquire a 100% interest in the Round Pond Zinc Project, comprising 30 claims (750 hectares), located in Western Newfoundland for total consideration of up to 5,250,000 shares (750,000 shares issued during the three months ended May 31, 2018 with a fair value of \$11,250) of the Company. A 2.0% Net Smelter Return ("NSR") royalty was granted in which \$1.5 million can be paid to reduce the royalty to a 0.75% NSR interest.

8. Share capital

Common Shares

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

	Number of Shares	Amount
Balance, February 28, 2017	59,340,592	\$ 6,404,964
Shares issued for interest in exploration properties (iii)	1,550,000	32,000
Private placement, net of costs (iv)	3,100,000	73,700
Value of warrants issued (iv)	-	(21,226)
Shares issued for debt (v)	9,246,895	462,344
Balance, February 28, 2018	73,237,487	\$ 6,951,782
Shares issued for interest in exploration properties (i, ii, iii)	1,300,000	19,500
Shares issued for debt (iv)	2,027,937	30,704
Balance, May 31, 2018	76,565,424	\$ 7,001,986

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8. Share capital (Continued)

During the three months ended May 31, 2018:

- (i) On April 4, 2018, the Company issued 350,000 shares with a fair value of \$5,250 in connection with the Peregrine Project.
- (ii) On April 13, 2018, the Company issued 750,000 shares with a fair value of \$11,250 in connection with the Round Pond Zinc Project.
- (iii) On May 11, 2018, the Company issued 200,000 shares with a fair value of \$3,000 in connection with the Peregrine Project.
- (iv) On May 31, 2018, the Company settled outstanding debt of \$101,397, \$11,242 of which was due to related parties, in exchange for the issuance of 2,027,937 shares at a deemed value of \$0.05 per share. The fair value of the shares on the settlement date was \$0.015 per share.

During the year ended February 28, 2018:

- (i) The Company issued 1,550,000 shares for interests in exploration and evaluation properties during the year ended February 28, 2018 – 400,000 shares were issued in connection with the Coral option agreement, 600,000 in connection with the Nipigon Reefs option agreement and 550,000 in connection with the Peregrine option agreement. The value of shares issued was based on the quoted trading values of the Company's shares at the date of issue.
- (ii) In June 2017 the Company raised \$77,500 by way of a private placement through the issuance of 3,100,000 units at \$0.025 per unit, comprising 1,600,000 flow-through units and 1,500,000 non flow-through units. Each flow-through and non flow-through unit comprised one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years from the date of closing of the private placement, subject to certain acceleration provisions. The Company paid a finder's fee of \$3,800 and issued 32,000 finders' warrants in relation to the financing. The finder's warrants were issued at an exercise price of \$0.025 per unit, which are exercisable for a period of two years, subject to certain acceleration provisions. The grant date fair value of the warrants was estimated at \$21,226 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 105% based on the historical volatility of the Company's stock; risk-free interest rate of 1.109% and an expected average life of two years.
- (iii) In May 2017, the Company completed agreements for the settlement of outstanding related party debt held by its directors and officers and companies controlled by directors and officers totaling \$462,344 in exchange for the issuance of 9,246,895 common shares of the Company at a deemed value of \$0.05 per share. The completion of the debt settlement transactions contemplated in these agreements was approved by the TSXV and the shares issued in June 2017 (Notes 10(b) and (d)).

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8. Share capital (Continued)

Stock Options

On June 30, 2010, the directors of the Company consented to adopt a share option plan (the “Plan”). The Plan provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares outstanding at any time. Such options may be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The approval of the Plan was initially approved by the Company’s shareholders on December 29, 2011. The Plan is subject to annual approval by the TSXV and the Company’s shareholders.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 29, 2017	2,800,000	\$0.10
Granted	4,500,000	0.05
Outstanding at February 28, 2018	7,300,000	\$0.05
Cancelled	(200,000)	0.10
Expired	(1,700,000)	0.10
Granted	300,000	0.05
Outstanding at May 31, 2018	5,700,000	\$0.06

- i. On March 18, 2018, 1,100,000 stock options priced at \$0.10 expired unexercised.
- ii. On March 27, 2018, 300,000 stock options priced at \$0.05 and expiring in 5 years, were granted to a consultant.
- iii. On April 9, 2018, 600,000 stock options priced at \$0.10 expired unexercised.
- iv. On May 6, 2018, 200,000 options issued on December 19, 2016, priced at \$0.10, were cancelled due the resignation of the holder of the options.
- v. On May 18, 2018, 200,000 options expiring on December 19, 2021 were cancelled due to the resignation of a director of the Company.

The grant date fair value of the options granted during the year ended February 28, 2018 was estimated at \$111,782 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; volatility of 253%-264% based on the historical volatility of the Company’s stock; risk-free interest rate of 2.10%-2.13% and average life of 5 years.

The grant date fair value of the options granted during the three months ended May 31, 2018 was estimated at \$5,960 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; volatility of 254% based on the historical volatility of the Company’s stock; risk-free interest rate of 2.11% and average life of 5 years.

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8. Share capital (Continued)

Stock Options

The following table summarizes information about stock options outstanding and exercisable at May 31, 2018:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options	Weighted Average Remaining Life (years)
900,000	\$0.10	December 19, 2021	900,000	3.56
3,600,000	\$0.05	February 7, 2023	-	4.69
600,000	\$0.05	February 14, 2023	-	4.71
300,000	\$0.05	February 19, 2023	-	4.73
300,000	\$0.05	March 27, 2023	-	4.82
5,700,000			900,000	4.52

Warrants

	Number of Warrants	Weighted Average Exercise Price
Outstanding at February 29, 2017	10,382,400	\$ 0.10
Issued	3,132,000	\$ 0.10
Outstanding at February 28, 2018	13,514,000	\$ 0.10
Issued	-	-
Outstanding at May 31, 2018	13,514,400	\$ 0.10

The following table summarizes information about warrants outstanding and exercisable at May 31, 2018:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants	Weighted Average Remaining Life (years)
3,400,000	\$0.100	June 28, 2018	3,400,000	0.33
32,000	\$0.025	June 28, 2018	32,000	0.33
5,380,000	\$0.100	July 7, 2018	5,380,000	0.35
286,400	\$0.025	July 7, 2018	286,400	0.35
1,220,000	\$0.100	July 15, 2018	1,220,000	0.38
64,000	\$0.025	July 15, 2018	64,000	0.38
3,100,000	\$0.100	June 30, 2019	3,100,000	1.33
32,000	\$0.025	June 30, 2019	32,000	1.33
13,514,400			13,514,400	0.58

See note 14.

9. Basic and diluted net loss per share

The calculation of basic and diluted income per share for the three months ended May 31, 2018 was based on the income attributable to common shareholders of \$12,416 (2017 - \$21,528 loss) and the weighted average number of common shares outstanding of 73,896,278 (2017 – 59,427,549). Outstanding warrants and stock options have been excluded from the calculation of diluted income per share for the periods presented as their effect would be anti-dilutive.

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10. Related party balances and transactions

Related parties include the Board of Directors, Officers, and close family members of members of the Board of Directors and Officers and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into the following transactions with related parties during the three months ended May 31, 2018:

(a) During the three months ended May 31, 2018, private corporations controlled by directors who are also officers of the Company charged the Company \$nil (May 31, 2017 - \$4,825) in management fees related to the provision of office space and administrative support and other consulting.

(b) Officers and directors of the Company and companies controlled by such individuals were owed \$nil as at May 31, 2018 (February 28, 2018 – \$67,138) for services rendered and for expenses incurred in the ordinary course of business. This amount is unsecured, non-interest bearing with no fixed terms of repayment. In June 2017, the Company wrote off \$20,783 and issued 6,445,871 common shares to settle \$322,294 of amounts due to officers and directors. In May 2018, the Company wrote settled \$11,242 of amounts due to officers and directors by issuing 224,837 shares with a fair value of \$3,373.

(c) In January 2015, the Company entered into an option agreement allowing it to acquire up to a 70% interest in the Coral Zinc Project as discussed in Note 7. Two of the optionors, who together have a 50% interest in the claims ownership, are (or were) directors and officers of the Company at that time. At this time, there is only one optionor who is a director and officer of the Company who holds a 5% interest in the claim ownership. In August 2017, the Company issued 200,000 shares to those directors and officers as part of the shares issued to acquire a 20% direct ownership in the mineral tenures comprising the project, of which the current director and officer received 20,000 shares.

(d) In January 2017, the Company entered into an option agreement allowing it to acquire a 100% interest in the Peregrine Zinc Project (see Note 7). The optionor, who has 100% interest in the claims, became a director of the Company in February 2018. During the year ended February 28, 2018, the Company issued 550,000 shares and paid \$10,000 to the director as per the option agreement. During the three months ended May 31, 2018, 350,000 shares were issued as per the option agreement.

(e) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key management of the Company was as follows.

For the three months ended May 31, 2018 and 2017	2018	2017
Aggregate compensation - cash	\$ -	\$ 3,000
Aggregate compensation – options	-	-
Total aggregate compensation	\$ -	\$ 3,000

11. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. All of the operating costs for the three months ended May 31, 2018 and the year ended February 28, 2018 were incurred in Canada and all of the assets as at May 31, 2018 and February 28, 2018 were located in Canada.

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12. Commitments and contingencies

Environmental contingencies

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow through financing

In June 2017, the Company entered into flow-through share subscription agreements whereby it renounced to investors a total of \$40,000 of qualifying Canadian exploration expenses, with an effective date of December 31, 2017.

The Company has indemnified the subscribers of flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Management and consulting contracts

The Company is party to certain management and consulting contracts. During the current and prior fiscal periods, certain parties under the management and consulting contracts agreed to reduced salaries and to not receive salaries until further significant financing is obtained, with future salaries and other amounts to be negotiated at that stage. Minimum commitments under management and consulting contracts are approximately \$105,000 payable within one year. The contracts also require that additional payments of up to \$360,000 be made, based on the contract amounts, upon the occurrence of certain events such as change of control. As a determinable triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

13. Loans payable

In April 2018, the Company entered into a loan agreement with an individual for the principal sum of \$21,300. Interest of will be charged on the loan based on an agreed upon bank rate and the repayment is due October 20, 2018.

14. Subsequent events

- i. On June 26, 2018, the Company issued 350,000 shares with a fair value of \$5,250 in connection with the Peregrine Extension Project.
- ii. Subsequent to May 31, 2018, the following warrants expired unexercised:
 - a. 3,400,000 expiring June 28, 2018 with a price of \$0.10
 - b. 32,200 expiring June 28, 2018 with a price of \$0.025
 - c. 5,380,000 expiring July 7, 2018 with a price of \$0.10
 - d. 286,400 expiring July 7, 2018 with a price of \$0.025
 - e. 1,220,000 expiring July 15, 2018 with a price of \$0.10
 - f. 64,000 expiring July 15, 2018 with a price of \$0.025
- iii. On July 19, 2018, the Company announced a proposed consolidation of the outstanding common shares of the Company on the basis of seven (7) pre-consolidation shares for one (1) post-consolidation share. The proposed share consolidation is subject to TSX Venture Exchange approval.

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14. Subsequent events (Continued)

- iv. On June 28, 2018, the Company announced its intention to acquire a 45% ownership interest ("New Coral Interest") in the 80% interest in the Coral Zinc Project tenures that it currently does not hold. The Company currently holds a direct 20% interest and this acquisition would represent an additional 36% beneficial ownership interest in the Coral Zinc Project. The Company was to issue 7,500,000 shares and 7,500,000 share purchase warrants, exercisable at \$0.05 per share for 2 years. Following the announced share consolidation, the terms of the agreement were revised and the Company will issue 7,180,000 post-consolidated shares and 7,180,000 share purchase warrants, exercisable at \$0.07 for 2 years.

- v. On July 25, 2018, the Company announced a non-brokered private placement, post consolidation, of up to 10,000,000 units for gross proceeds of up to \$750,000, comprising both flow-through units and non flow-through units. Each non flow-through unit ("NFT Unit") will be offered at a price of \$0.055 and will consist of one post-consolidation common share ("Share") and one non-transferable share purchase warrant ("Warrant"). Each whole warrant will entitle the holder to purchase one additional post-consolidated share at a price of \$0.07 for three years from the closing date. Each flow-through unit ("FT Unit") will be offered at a price of \$0.06 and will consist of one post-consolidation common share issued on a flow-through basis and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one additional post-consolidated non flow-through share at a price of \$0.07 for three years from the closing date. A maximum of 7,500,000 FT Units, or 75% of the offering, will be made available for the issuance under the Offering as FT Units. The use of proceeds is intended to finance exploration and development of mineral properties in which the Company holds an interest, payment of unrelated party trade payables and debts, legal fees, and for general working capital for the Company. The private placement is subject to acceptance by the TSX Venture Exchange ("TSXV"). Finders' fees may be paid in accordance with TSXV policy.