HANDA MINING CORPORATION

(Previously Handa Copper Corporation)

Condensed Consolidated Interim Unaudited Financial Statements

Six months ended July 31, 2018 and 2017

(Presented in Canadian Dollars)

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Notice of no auditor review of interim financial statements

Under National Instrument 51-102, Part 4, Subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an auditor.

HANDA MINING CORPORATION
(Previously Handa Copper Corporation)
Condensed Consolidated Interim Unaudited Statements of Financial Position
(Presented in Canadian Dollars)

	July 31, 2018	January 31, 2018
Assets		
Current assets		
Cash and cash equivalents (Note 3)	$ 197,855	$ 364,592
Receivables and advances	2,695	2,808
Prepaid expenses (Note 4)	-	16,877
Total assets	**$ 200,550**	**$ 384,277**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	$ 102,766	$ 41,738
Total liabilities	**102,766**	**41,738**
Shareholders' equity		
Share capital (Note 8)	6,506,444	6,506,444
Reserves (Note 8)	1,418,647	1,418,647
Subscriptions received (Note 8)	87,000	-
Accumulated deficit	(7,914,307)	(7,582,552)
Total shareholders' equity	**97,784**	**342,539**
Total liabilities and shareholders' equity	**$ 200,550**	**$ 384,277**

Nature of operations and going concern – Note 1
Subsequent events – Note 11

ON BEHALF OF THE BOARD:

Director: “Marek Kreczmer”

Director: “Darryl Yea”

HANDA MINING CORPORATION
(Previously Handa Copper Corporation)
Condensed Consolidated Interim Unaudited Statements of Loss and Comprehensive Loss
(Presented in Canadian Dollars)

	Three months ended		Six months ended	
	July 31, 2018	**July 31, 2017**	**July 31, 2018**	**July 31, 2017**
Expenses				
Directors fees (Note 7)	$ 20,000	$ -	$ 20,000	$ -
Exploration costs and license fees	15,483	4,675	31,894	2,394
Filing and regulatory fees	8,885	6,096	18,111	12,699
Investor relations, promotion and advertising	24,469	305	37,263	485
Office and administration	6,280	893	10,524	2,683
Professional and consulting fees (Note 7)	107,154	10,222	180,578	27,032
Management fees (Note 7)	27,500	7,000	33,500	11,000
	(209,771)	(29,191)	(331,870)	(56,293)
Other Items				
Finance income	51	57	115	146
Net and comprehensive loss for the period	$ (209,720)	$ (29,134)	$ (331,755)	$ (56,147)
Loss per share – basic and diluted	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding	29,424,441	19,424,441	29,424,441	19,424,441

See accompanying notes to the condensed consolidated interim unaudited financial statements.

HANDA MINING CORPORATION
(Previously Handa Copper Corporation)
Condensed Consolidated Interim Unaudited Statements of Changes in Shareholders' Deficit
(Presented in Canadian Dollars)

	Share capital					
	Shares	Amount	Subscriptions Received	Reserve	Accumulated Deficit	Total Shareholders' Equity
Balance at January 31, 2017	19,424,441	$ 6,136,615	$ -	$ 1,292,394	$ (6,884,056)	$ 544,953
Net loss for the period	-	-	-	-	(56,147)	(56,147)
Balance at July 31, 2017	19,424,441	$ 6,136,615	$ -	$ 1,292,394	$ (6,940,203)	$ 488,806
Balance as at January 31, 2018	29,424,441	$ 6,506,444	$ -	$ 1,418,647	$ (7,582,552)	$ 342,539
Share subscriptions received	-	-	87,000	-	-	87,000
Net loss for the period	-	-	-	-	(331,755)	(331,755)
Balance at July 31, 2018	29,424,441	$ 6,506,444	$ 87,000	$ 1,418,647	$ (7,914,307)	$ 97,784

See accompanying notes to the condensed consolidated interim unaudited financial statements.

HANDA MINING CORPORATION
(Previously Handa Copper Corporation)
Condensed Consolidated Interim Unaudited Statements of Cash Flows
(Presented in Canadian Dollars)

		Six months ended		
		July 31, 2018		**July 31, 2017**
Operating activities				
Net loss for the period	$	(331,755)	$	(56,147)
Changes in non-cash working capital items:				
Other receivables and advances		113		405
Prepaid expenses		16,877		-
Accounts payable and accrued liabilities		61,028		(3,396)
Net cash flows used in operating activities		(253,737)		(59,138)
Financing activities				
Share subscription receipts		87,000		-
Net cash flows provided by financing activities		87,000		-
Decrease in cash and cash equivalents		(166,737)		(59,138)
Cash and cash equivalents, beginning of period		364,592		103,361
Cash and cash equivalents, end of period	$	197,855	$	44,223

NOTE 1 - NATURE OF OPERATIONS

Handa Mining Corporation (Previously Handa Copper Corporation) (the "Company") was incorporated under the laws of the Province of British Columbia on November 10, 2009. The Company is a junior mineral exploration company engaged in the acquisition, exploration and development of prospective precious, base metal and other mineral exploration projects worldwide. Its registered records office is located at Suite 1080, 789 West Pender Street, Vancouver, BC, V6C 1A2. The Company is listed on the TSX Venture exchange ("TSX-V") under the symbol 'HAND'.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at July 31, 2018, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its condensed consolidated interim unaudited statement of financial position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim unaudited financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") and in accordance with IAS 34. "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended January 31, 2018 ("2018 Annual Financial Statements"), which have been prepared in accordance with International Financial Reports Statements ("IFRS").

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the 2018 Annual Financial Statement. The condensed consolidated interim unaudited financial statements were authorized for issue by the Board of Directors (the "Board") on Sept 28, 2018.

Basis of Measurement

These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly owned subsidiary, Hana Botswana (Pty) Ltd. ("Hana Botswana"). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company balances have been eliminated upon consolidation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

The financial statements of the subsidiary are included in the condensed consolidated interim unaudited financial statements from the date that control commences until the date that control ceases.

New Accounting Standards and Interpretations

Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilize a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on February 1, 2018.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime

(Expressed in Canadian dollars)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards and Interpretations (continued)

expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

Other accounting stands or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

		July 31, 2018		January 31, 2018
Cash at bank – Canadian dollars	$	168,859	$	342,086
Cash at bank – U.S. dollars		6,496		6
		175,355		342,092
Guaranteed investment certificates		22,500		22,500
Cash and cash equivalents	$	197,855	$	364,592

NOTE 4 – PREPAIDS

		July 31, 2018		January 31, 2018
Business advisory	$	-	$	16,719
Storage		-		158
	$	-	$	16,877

(Expressed in Canadian dollars)

NOTE 5 - EXPLORATION

Mejillones Phosphate Project, Chile

On January 29, 2018, the Company signed an agreement to acquire the Mejillones phosphate project in Chile, subject to completion of due diligence and electing to continue with the transaction, the Company will acquire from Buccaneer Holding Limited ("BHL")100% ownership of exploration and exploitation concessions for the following terms:

- Issuance of 5,000,000 common shares upon completion of due diligence and electing to acquire 100% of the project;
- Upon the Company making the decision to pursue development of the project, the Company will:
    - Issue 7,500,000 common shares; and
    - Pay a cash amount of US $3,000,000 in two tranches; the first tranche of US $1,500,000 is to be paid six months from the date the Company decides to develop the project, and the second tranche of US $1,500,000 is to be paid six months from the first tranche payment date.
- BHL will be granted a 1.5% royalty on revenue over the life of mine of the project once in production, which at the Company's election, can be bought for an amount of US $8,000,000.

Acquisition of the Mejillones project is subject to delivery of a 43-101 report and regulatory and shareholder approvals.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		July 31, 2018		January 31, 2018
Accounts payable	$	51,282	$	5,027
Amounts due to related parties (Note 7)		40,100		13,411
Accrued liabilities		11,384		23,300
	$	102,766	$	41,738

NOTE 7 – RELATED PARTY TRANSACTIONS

At July 31, 2018, $2,100 (January 31, 2018 - $13,411) is payable to an officer of the Company and $38,000 is payable to directors of the company. Both are included in accounts payable and accrued liabilities (Note 6).

The Company incurred the following transactions with officer, directors and a company that is controlled by a director of the Company:

		July 31, 2018		July 31, 2017
Consulting fees	$	120,000	$	-
Management fees		33,500		11,000
Directors fees accrued		20,000		-
	$	173,500	$	11,000

During the period ended July 31, 2018, $120,000 in consulting fees were paid to the CEO of the Company (July 31, 2017 - $nil), $15,500 in management fees were paid to the CFO of the Company (July 31, 2017 - $11,000) and $18,000 (July 31, 2017 - $nil) in management fees were paid to the Executive Chairman of the Company.

(Expressed in Canadian dollars)

NOTE 8 – SHARE CAPITAL

(a) Authorized and issued

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

At July 31, 2018, there were 29,424,441 issued and fully paid common shares (January 31, 2018 – 29,424,441).

During the period ended July 31, 2018, the Company received proceeds of $87,000 in advance of share issuance.

(b) Stock Options

The Company has a stock option plan for the purchase of common shares for its directors, officers, and employees (the "Plan"). The maximum number of shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company's issued share capital from time to time or such additional amount as may be approved from time to time by the shareholders of the Company. The options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the board of directors of the Company at the time of grant, subject to all applicable regulatory requirements.

There are no stock options granted during the period ended July 31, 2018. At July 31, 2018, the Company has no stock options outstanding.

(c) Nature and Purpose of Equity Reserves

Share-based payment reserve is used to recognize the value of stock option grants and share warrants net of amounts transferred on exercising of the related options and warrants.

(d) Warrants

On March 2, 2018, the expiry date for 10,515,263 warrants was extended to March 19, 2020. The warrants are exercisable for common shares of the Company at a price of $0.12 per common share and previously bore an expiry date of March 19, 2018. The following table reflects the continuity of warrants:

	Number of warrants	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
Balance, January 31, 2018 and July 31, 2018	15,515,263	$ 0.11	0.68

As at July 31, 2018, the following warrants were outstanding and exercisable:

Number of warrants	Exercise Price	Expiry Date
10,515,263	$0.12	March 19, 2020
5,000,000	$0.10	December 04, 2019
15,515,263		

NOTE 9 – FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The main types of risks are credit risk, liquidity risk and market risk. These risks arise from the normal course of operations and all transactions are undertaken as a going concern. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk
Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk primarily associated to cash, short-term investments, and other receivables. The carrying amounts of assets included on the statement of financial position represent the maximum credit exposure. The Company limits exposure to credit risk and liquid financial assets through maintaining its cash and short-term deposits with institutions of high credit worthiness. Credit risk is assessed as low.

Liquidity Risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and its holdings of cash. The Company believes that these sources should be sufficient to cover the likely short-term requirements. In the long term, the Company will have to issue additional shares to ensure there is sufficient capital to meet long term objectives. The Company's cash is invested in business bank accounts and available on demand for its programs. All financial liabilities are payable within one year and are to be funded from cash on hand. Liquidity risk is assessed as high.

Market Risk
The significant market risks to which the Company is exposed are foreign exchange risk, interest rate risk and commodity price risk. These are further discussed below:

Foreign Exchange Risk
The functional currency of the Company is the Canadian dollar. The carrying amounts of the financial assets and financial liabilities denominated in currencies other than the functional currency are subject to current rate fluctuations and any resulting gain or loss is included as a component of net loss for the period. The Company is not exposed to significant foreign exchange risk.

Interest Rate Risk
The Company is exposed to interest rate risk on its cash and cash equivalents. Short-term investments earn interest based on the market interest rate. However, given the low interest rates on interest earning deposits, a 1% change in interest rates would affect net loss by an immaterial amount. The Company's financial liabilities are not significantly exposed to interest rate risk.

Commodity Price Risk
An adverse change in the targeted commodities prices, or investors beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities

(Expressed in Canadian dollars)

NOTE 9 – FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT (continued)

Fair Value
The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13, Financial Instruments: Fair Value Measurement ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.
As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Categories of Financial Instruments

The Company's financial instruments include cash, short-term investments, due from related parties, other receivables, and accounts payable. The Company's cash is measured using level 1 inputs.

The significance of the inputs used in determining fair value measurements of the Company's financial instruments is provided below:

	Category		July 31, 2018 Carrying value
Cash and cash equivalents	FVTPL	$	197,855
Due to related parties	Other financial liabilities	$	40,100
Receivables	Loans and receivables	$	2,695
Accounts payable	Other financial liabilities	$	51,282

	Category		January 31, 2018 Carrying value
Cash and cash equivalents	FVTPL	$	364,592
Due to related parties	Other financial liabilities	$	13,411
Receivables	Loans and receivables	$	2,808
Accounts payable	Other financial liabilities	$	5,027

NOTE 10 – CAPITAL MANAGEMENT

The Company manages its cash, short-term investments, share capital and share purchase warrants as capital. It is management's objective to safeguard its capital in order that it will be able to continue as a going concern in the best interests of all stakeholders. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest-bearing investments with maturities of one year or less which can be liquidated at any time without penalties.

The Company currently has no source of revenues. As such, the Company is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working

NOTE 10 – CAPITAL MANAGEMENT (continued)

capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to restrictions on the use of its capital. There are no changes in the Company's approach to capital management during the period.

NOTE 11 – SUBSEQUENT EVENTS

1) The Company completed subscriptions for a non-brokered private placement of 14,000,000 units at a price of $0.05 per unit for gross proceeds of $700,000. Each unit consists of one common share and one common share purchase warrant. Each warrant, subject to an acceleration provision, shall entitle the holder thereof to acquire one additional common share of the Company for a total period of 24 months, at a price of $0.075 for the first six months following the date of issuance and at a price of $0.10 for the subsequent 18 months. The closing of the private placement is subject to TSX regulatory approval for which the Company has applied and is currently in process.

2) On August 6, 2018, the Company entered into a new office lease agreement. The lease period is one year and seventeen days commencing August 15, 2018. The basic monthly rent, including value-added tax, is R12,612.90 from August 15, to 31, 2018 and R23,000.00 from September 1, 2018 to August 31, 2019.