

MINCOM CAPITAL INC.

Condensed Interim Financial Statements

For the three month period ended December 31, 2017

(Expressed in Canadian dollars)
(Unaudited)

Condensed Interim Financial Statements

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NOTICE TO READER

The accompanying unaudited condensed interim financial statements 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 unaudited condensed interim financial statements.

Mincom Capital Inc.

Condensed Interim Statements of Financial Position (Unaudited)
(in Canadian dollars)

As at	December 31, 2017	September 30, 2017
	\$	\$
ASSETS		
Current assets		
Cash	2,449	2,457
Amounts receivable	195	4,708
Amounts due from related parties (Note 8)	37,968	145,379
Tax credits and credit on duties receivable	1,225	1,225
Prepaid expenses	59,594	63,429
	101,431	217,198
Mineral exploration properties (Note 5)	1,000,000	1,000,000
Exploration and evaluation assets (Note 5)	207,204	206,454
	1,308,635	1,423,652
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	263,891	327,894
Amounts due to related parties (Note 8)	83,797	81,403
	347,688	409,297
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	2,085,813	2,085,813
Contributed surplus	152,687	152,687
Deficit	(1,277,553)	(1,224,145)
	960,947	1,014,355
	1,308,635	1,423,652
Going concern (Note 2)		

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

On behalf of the Board

(signed) "Gary Economo"
Gary Economo, Director

(signed) "Jeffrey York"
Jeffrey York, Director

Mincom Capital Inc.

Condensed Interim Statements of Comprehensive Loss (Unaudited)

(in Canadian dollars)

	Three months ended December 31,	
	2017	2016
	\$	\$
Expenses		
Consulting fees	9,010	9,010
Travel and promotion	5,217	784
Professional fees	12,995	49,213
Filing fees	5,224	5,116
Insurance	5,872	5,697
Agent fees	6,542	3,317
Other expenses	8,548	2,005
Net loss and total comprehensive loss	(53,408)	(75,142)
Basic and diluted loss per common share	(0.003)	(0.004)
Basic and diluted weighted average number of common shares outstanding	18,012,257	18,012,257

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

Mincom Capital Inc.

Condensed Interim Statements of Changes in Equity (Unaudited)

(in Canadian dollars)

	Share Capital		Warrants	Contributed Surplus	Deficit	Total
	Number of shares	\$	\$	\$	\$	\$
Balance, September 30, 2016	18,012,257	2,085,813	-	152,687	(898,400)	1,340,100
Net loss and total comprehensive loss	-	-	-	-	(75,142)	(75,142)
Balance, December 31, 2016	18,012,257	2,085,813	-	152,687	(973,542)	1,264,958
Net loss and total comprehensive loss	-	-	-	-	(250,603)	(250,603)
Balance, September 30, 2017	18,012,257	2,085,813	-	152,687	(1,224,145)	1,014,355
Net loss and total comprehensive loss	-	-	-	-	(53,408)	(53,408)
Balance, December 31, 2017	18,012,257	2,085,813	-	152,687	(1,277,553)	960,947

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

Mincom Capital Inc.

Condensed Interim Statements of Cash Flows (Unaudited)

(in Canadian dollars)

	Three months ended December 31,	
	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Net loss	(53,408)	(75,142)
Adjustments for:		
Changes in non-cash working capital items	51,756	28,991
Cash flows used in operating activities	(1,652)	(46,151)
INVESTING ACTIVITIES		
Exploration and evaluation costs	(750)	(60)
Cash flows used in investing activities	(750)	(60)
FINANCING ACTIVITIES		
Amounts due to related parties	2,394	-
Cash flows from financing activities	2,394	-
Decrease in cash	(8)	(46,211)
Cash, beginning of the period	2,457	107,245
Cash, end of the period	2,449	61,034

Supplemental information:

Changes in non-cash working capital items consist of the following:

Amounts receivable	4,513	(7,207)
Amounts due from related parties	107,411	-
Prepaid expenses	3,835	7,435
Accounts payable and accrued liabilities	(64,003)	28,763
	51,756	28,991

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

Mincom Capital Inc.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended December 31, 2017

(in Canadian dollars)

1. NATURE OF OPERATIONS

Mincom Capital Inc. (the "Company" or "Mincom") was incorporated on May 24, 2011 under the Canada Business Corporations Act. The Company's shares are listed on the TSX Venture Exchange under the symbol MOI. The head office of the Company is located at 945 Princess Street, Kingston, Ontario.

The Company is engaged in the acquisition, exploration and development of mineral properties in Quebec, Canada.

2. GOING CONCERN ASSUMPTION

These condensed interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is in the exploration stage and has not earned revenue from operations. During the three months ended December 31, 2017, the Company incurred a net loss of \$53,408 and negative cash flows from operating activities of \$1,652. In addition, the Company has a deficit of \$1,277,553.

The above factors indicate material uncertainties, which may cast significant doubt about the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

The Company's ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses and continue its exploration activities, is dependent upon Management's ability to obtain additional financing, through various means including but not limited to equity financing. No assurance can be given that any such additional financing will be available or that it can be obtained on terms favourable to the Company.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying amount of assets and liabilities, the reported expenses, and the statement of financial position classifications used.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the years ended September 30, 2017 and 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These condensed interim financial statements were authorized for issue by the Board of Directors on February 20, 2018.

b) Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis and are expressed in Canadian dollars, which is also the Company's functional currency.

Mincom Capital Inc.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended December 31, 2017

(in Canadian dollars)

These condensed interim financial statements have been prepared using accounting policies that are consistent with those used in the preparation of the Company's audited annual statements for the years ended September 30, 2017 and 2016.

c) Judgments, estimates and assumptions

When preparing the financial statements, Management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

Significant Management judgment

The following are significant Management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires Management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, Management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern risk assessment

In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments, Management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations on an ongoing basis and its expansionary plans. The key inputs used by the Company in this process include forecasted capital deployment, results from operations, results from exploration and general industry conditions. Changes in these inputs may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classification of assets and liabilities should the Company be unable to continue as a going concern (Note 2).

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of mineral exploration properties and exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and exploration and evaluation assets requires management's judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment or a reversal of an impairment loss exists, the recoverable amount of the individual asset or cash-generating units must be estimated.

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For the three months ended December 31, 2017

(in Canadian dollars)

Share based payments

The estimation of stock-based compensation and warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the estimated life of stock options and warrants granted and the time of exercise of those stock options and warrants. The valuation model used by the Company is the Black-Scholes model.

The Company allocates values to share capital and to warrants on the residual basis when the two are issued together as a unit. As this allocation is based upon the share price at the time of issuance and the stock is thinly-traded, the actual value of the components may differ from this allocation.

Tax credits and credit on duties receivable

Tax credits and credit on duties are subject to audit by the authorities in the province of Quebec and the Company's entitlement to these items is based on Management's history of success in past claims and its current understanding of the legislation that governs these matters.

4. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

Financial instruments

The Company's financial instruments at December 31, 2017 consist of cash, amounts due from related parties, accounts payable and accrued liabilities, and amounts due to related parties. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

Carrying amounts of financial assets and liabilities

	December 31, 2017	September 30, 2017
	\$	\$
Financial assets		
Loans and receivables		
Cash	2,449	2,457
Amounts due from related parties	37,968	145,379
Financial liabilities		
Measured at amortized cost		
Accounts payable and accrued liabilities	263,891	327,894
Amounts due to related parties	83,797	81,403

Risk management

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's only significant financial asset exposed to credit risk is cash and maximum

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exposure is equal to the carrying value of this asset. The Company's cash is held at a Canadian chartered bank. It is Management's opinion that the Company is not exposed to significant credit risk. There has been no change to Management's assessment of credit risk compared with the prior year.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business as well as any anticipated transactions. The Company's working capital deficiency totals \$162,460 at December 31, 2017, including \$2,449 in cash and current liabilities totalling \$263,891, due within the next 12 months. There has been no change to Management's assessment of liquidity risk compared with the prior year.

Capital management

The Company manages its capital to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. The Company is not subject to any external capital requirements, neither regulatory nor contractual. In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

5. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS

	December 31, 2017		September 30, 2017	
	Mineral exploration properties	Exploration and evaluation assets	Mineral exploration properties	Exploration and evaluation assets
	\$	\$	\$	\$
a) Romer	1,000,000	207,204	1,000,000	206,454
TOTAL	1,000,000	207,204	1,000,000	206,454

a) Romer

On May 8, 2014, the Company acquired a 100% interest in the Romer property from Focus Graphite Inc. ("Focus") in consideration for a cash payment of \$250,000 and the issuance of 2,500,000 common shares. The property was recorded at a value of \$1,000,000 upon initial recognition, based on the fair value of the property received, which was supported by an independent valuation. The Romer property is comprised of a series of 149 contiguous and 2 isolated map-designated mining claims located in the Labrador Trough sector of Nunavik in Northern Quebec.

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The following table reflects changes to mineral exploration properties between October 1, 2016 and December 31, 2017:

	Three months ended December 31, 2017	Year ended September 30, 2017
	\$	\$
Balance, beginning and end of the period	1,000,000	1,000,000

The following table reflects changes to exploration and evaluation assets between October 1, 2016 and December 31, 2017:

	Three months ended December 31, 2017	Year ended September 30, 2017
	\$	\$
Balance, beginning of the period	206,454	205,952
Additions		
Property maintenance	750	502
Balance, end of the period	207,204	206,454

6. SHARE CAPITAL

Unlimited number of common shares, voting, participating and without par value

Issued and fully paid

Common shares

	Number of shares	\$
Balance, September 30, 2016, September 30, 2017 and December 31, 2017	18,012,257	2,085,813

7. STOCK OPTIONS

On November 7, 2011, the Company adopted an incentive stock option plan in accordance with the policies of the TSX Venture Exchange (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares, which are exercisable for a period to be determined by the Board at the time the option is granted. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted.

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The following table reflects the continuity of stock options:

	Number of options	Weighted average exercise price \$
Balance, September 30, 2016, September 30, 2017 and December 31, 2017	1,028,451	0.10

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

Exercise prices	Outstanding			Exercisable	
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price
\$0.10	1,028,451	4.10	\$0.10	1,028,451	\$0.10

As at September 30, 2017, the following stock options were outstanding and exercisable:

Exercise prices	Outstanding			Exercisable	
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price
\$0.10	1,028,451	4.36	\$0.10	1,028,451	\$0.10

8. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in these financial statements are as follows:

Amounts due from related parties

Grafoid

During the quarter ended December 31, 2017, the Company charged Grafoid Inc. ("Grafoid"), which shares common management, \$6,716 for Grafoid's portion of shared professional services incurred in connection with the Company's pending acquisition of Braille Battery Inc. (Note 9). As at December 31, 2017, \$37,968 (including HST), is included in amounts due from related parties (\$145,379 as at September 30, 2017).

Shared costs

Focus Graphite Inc.

During the year ended September 30, 2017, the Company was charged \$15,000 by Focus Graphite Inc. ("Focus"), which shares common management, for accounting and administrative services and other administrative expenses. As at December 31, 2017, included in accounts payable and accrued liabilities was an amount of \$15,000 (\$15,000 as at September 30, 2017).

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(in Canadian dollars)

Grafoid Inc.

As at December 31, 2017, included in accounts payable and accrued liabilities was an amount of \$1,477 (\$457 as at September 30, 2017) due to Grafoid Inc., which shares common management, related to other general shared costs.

Other

Loan from Officer

As at December 31, 2017, included in amounts due to related parties is an amount of \$83,797 due to an Officer of the Company (\$81,403 as at September 30, 2017). The amount relates to a loan of US\$63,000 and accrued interest of US\$3,797. The loan was given to the Company to provide working capital and is repayable on May 31, 2019. The loan bears interest at a rate of 10% per annum.

JAG Sky Inc.

As at December 31, 2017, the Company has prepaid \$33,000 to JAG Sky Inc., a private air charter services company wholly-owned by an Officer and Director of Mincom, for air travel to be used at a later date. The entire amount is included in prepaid expenses (\$33,000 as at September 30, 2017).

Key management compensation

The following table reflects compensation of key management personnel (Directors and Officers of the Company):

	Three months ended December 31,	
	2017	2016
	\$	\$
Consulting fees (1)	9,000	9,000
	9,000	9,000

(1) As at December 31, 2017, \$47,593 is included in accounts payable and accrued liabilities (\$37,395 as at September 30, 2017).

The shared costs noted above include an allocation of salaries and short-term benefit compensation paid to key management personnel.

9. COMMITMENTS

Letter of intent to purchase Braille Holdings Inc. and concurrent private placement

On March 14, 2017, the Company announced that it has entered into an agreement with Grafoid Inc. ("Grafoid"), a related party with common management, to acquire Grafoid's 75% ownership interest in Braille Holdings Inc., which owns Braille Battery ("Braille"). Braille is a producer of advanced lightweight lithium-ion high-performance batteries, based out of Sarasota, Florida.

The proposed purchase price is US\$2,000,000, of which US\$1,000,000 will be paid in cash and US\$1,000,000 will be paid in shares issued to Grafoid from the treasury of Mincom.

In conjunction with the acquisition, Mincom proposes to raise, subject to TSX Venture Exchange acceptance, up to US\$3,000,000 by way of a private placement of units of Mincom at a price of US\$0.10 per unit (the "Offering"). Each unit will be comprised of one common share of Mincom and one warrant. Each warrant shall be exercisable into one common share at a price of \$0.18 CAD for a period of four years from the

Mincom Capital Inc.

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(in Canadian dollars)

closing date of the Offering. The proceeds will be used to cover consideration of the transaction with Grafoid and working capital.

On August 29, 2017, the Company announced that it has received conditional acceptance from the TSX Venture Exchange and is now working to satisfy all conditions set out in the conditional acceptance letter, including but not limited to obtaining disinterested shareholder approval, completing the concurrent financing, finalizing all escrow arrangements, sponsor's report and the delivery of certain officers' certificates. The Company anticipates closing the transaction in February 2018. At that time, and subject to final Exchange acceptance, trading would resume in Mincom's shares.

The terms of the purchase have been modified from those previously announced. The purchase price remains at US\$2,000,000, of which US\$1,000,000 will be paid in cash and US\$1,000,000 will be paid in shares issued to Grafoid from the treasury of Mincom at closing. The cash portion of the purchase price will now be paid as follows: US\$500,000 paid on the completion of the transaction and US\$500,000 payable by January 1, 2019.