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**BWR EXPLORATION INC.  
(FORMERLY BLACK WIDOW RESOURCES INC.)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE AND NINE MONTHS ENDED  
AUGUST 31, 2017  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed interim financial statements of BWR Exploration Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

**BWR Exploration Inc.** (formerly Black Widow Resources Inc.)  
**Condensed Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

	<b>As at August 31, 2017</b>	<b>As at November 30, 2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 171,621	\$ 96,890
Sales tax receivable	22,338	2,140
Prepaid expenses	1,945	1,945
<b>Total assets</b>	<b>\$ 195,904</b>	<b>\$ 100,975</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 10)	\$ 255,807	\$ 170,212
Promissory notes (notes 3 and 10)	67,623	63,698
<b>Total liabilities</b>	<b>323,430</b>	<b>233,910</b>
<b>Shareholders' Deficiency</b>		
Share capital (note 5)	2,447,104	2,080,643
Reserves (notes 6 and 7)	824,290	355,374
Deficit	(3,398,920)	(2,568,952)
<b>Total shareholders' deficiency</b>	<b>(127,526)</b>	<b>(132,935)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 195,904</b>	<b>\$ 100,975</b>

Nature of operations and going concern (note 1)

**Approved on behalf of the Board:**

"Neil Novak", Director \_\_\_\_\_

"Allan Ringler", Director \_\_\_\_\_

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

**BWR Exploration Inc.** (formerly Black Widow Resources Inc.)  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian Dollars)  
Unaudited

	Three months ended August 31, 2017	Three months ended August 31, 2016	Nine months ended August 31, 2017	Nine months ended August 31, 2016
<b>Operating expenses</b>				
Exploration and evaluation expenditures (note 4) \$	259,586	\$ 66,813	\$ 540,759	\$ 68,071
General and administrative (note 9)	86,580	46,281	319,344	160,036
Loss from operating expenses	(346,166)	(113,094)	(860,103)	(228,107)
Reversal of premium on flow-through shares converted to common shares	-	-	-	(6,570)
<b>Total loss and comprehensive loss for the period</b>	<b>\$ (346,166)</b>	<b>\$ (113,094)</b>	<b>\$ (860,103)</b>	<b>\$ (234,677)</b>
<b>Basic and diluted net loss per share (note 8)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>55,727,461</b>	<b>33,625,396</b>	<b>50,520,932</b>	<b>33,167,197</b>

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

**BWR Exploration Inc.** (formerly Black Widow Resources Inc.)  
**Condensed Interim Statements of Cash Flows**  
(Expressed in Canadian Dollars)  
Unaudited

	Nine months ended August 31, 2017	Nine months ended August 31, 2016
<b>Operating activities</b>		
Net loss for the period	\$ (860,103)	\$ (234,677)
Adjustments for:		
Share-based payments	72,385	22,320
Shares issued for exploration expenditures	250,000	-
Reversal of premium on flow-through shares converted to common shares	-	6,570
Interest expense accrued	3,925	6,392
Changes in non-cash operating capital:		
Sales tax receivable	(20,198)	(4,112)
Prepaid expenses	-	(10,000)
Accounts payables and accrued liabilities	85,595	18,792
<b>Net cash used in operating activities</b>	<b>(468,396)</b>	<b>(194,715)</b>
<b>Financing activities</b>		
Private placement proceeds, net of cost of issue	543,127	351,692
Proceeds from promissory notes	-	60,000
<b>Net cash provided by financing activities</b>	<b>543,127</b>	<b>411,692</b>
<b>Net change in cash</b>	<b>74,731</b>	<b>216,977</b>
<b>Cash, beginning of period</b>	<b>96,890</b>	<b>14,682</b>
<b>Cash, end of period</b>	<b>\$ 171,621</b>	<b>\$ 231,659</b>

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

**BWR Exploration Inc.** (formerly Black Widow Resources Inc.)  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

	Share capital	Shares to be issued	Reserves			Total
			Contributed surplus	Warrants reserve	Deficit	
<b>Balance, November 30, 2015</b>	<b>\$ 1,877,120</b>	<b>\$ 10,000</b>	<b>\$ 138,180</b>	<b>\$ 70,189</b>	<b>\$ (2,306,354)</b>	<b>\$ (210,865)</b>
Private placement	374,100	(10,000)	-	-	-	364,100
Warrants issued	(164,739)	-	-	164,739	-	-
Cost of issue - cash	(12,408)	-	-	-	-	(12,408)
Reversal of premium on flow-through shares converted to regular shares	6,570	-	-	-	-	6,570
Expiry of warrants	-	-	-	(8,415)	8,415	-
Share-based payments	-	-	22,320	-	-	22,320
Net loss for the period	-	-	-	-	(234,677)	(234,677)
<b>Balance, August 31, 2016</b>	<b>\$ 2,080,643</b>	<b>\$ -</b>	<b>\$ 160,500</b>	<b>\$ 226,513</b>	<b>\$ (2,532,616)</b>	<b>\$ (64,960)</b>
<b>Balance, November 30, 2016</b>	<b>\$ 2,080,643</b>	<b>\$ -</b>	<b>\$ 160,500</b>	<b>\$ 194,874</b>	<b>\$ (2,568,952)</b>	<b>\$ (132,935)</b>
Common shares issued for exploration expenditure	250,000	-	-	-	-	250,000
Private placement	619,275	-	-	-	-	619,275
Warrants issued	(400,098)	-	-	400,098	-	-
Cost of issue - cash	(76,148)	-	-	-	-	(76,148)
Cost of issue - broker warrants	(26,568)	-	-	26,568	-	-
Expiry of warrants	-	-	-	(30,135)	30,135	-
Reversal of premium on flow-through	-	-	-	-	-	-
Share-based payments	-	-	72,385	-	-	72,385
Net loss for the period	-	-	-	-	(860,103)	(860,103)
<b>Balance, August 31, 2017</b>	<b>\$ 2,447,104</b>	<b>\$ -</b>	<b>\$ 232,885</b>	<b>\$ 591,405</b>	<b>\$ (3,398,920)</b>	<b>\$ (127,526)</b>

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

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## **BWR Exploration Inc. (formerly Black Widow Resources Inc.)**

### **Notes to Condensed Interim Financial Statements**

**Three and Nine Months Ended August 31, 2017**

**(Expressed in Canadian Dollars)**

**Unaudited**

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#### **1. Nature of operations and going concern**

BWR Exploration Inc. (the "Company" or "BWR"), incorporated on January 20, 2011, is engaged in the exploration of precious and base metal properties. BWR is a public company, quoted for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BWR". The Company's principal properties are the Santa Maria Project, the Shunsby Project, Vendôme Sud Property and the Little Stull Lake Gold Project. The head office of the Company is located at The Canadian Venture Building, 82 Richmond Street East, Suite 201, Toronto, Ontario, M5C 1P1, Canada.

The unaudited condensed interim financial statements of BWR for the three and nine months ended August 31, 2017 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on October 23, 2017.

As at August 31, 2017, the Company had a working capital deficit of \$127,526 (November 30, 2016 - working capital deficit of \$132,935) and a deficit of \$3,398,920 (November 30, 2016 - \$2,568,952). Management of the Company believes that it will be able to pay its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due through additional financing. 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. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The Company's ability to continue operations and fund its exploration and evaluation expenditures is dependent on management's ability to generate cash and manage its cash resources.

Management believes the going concern assumption to be appropriate for these unaudited condensed interim financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the balance sheet classifications used in the unaudited condensed interim financial statements. These adjustments could be material.

The recoverability of exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability to obtain necessary financing, obtain government approval and attain profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

#### **2. Summary of significant accounting policies**

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

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2017 could result in restatement of these unaudited condensed interim financial statements.

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**BWR Exploration Inc. (formerly Black Widow Resources Inc.)****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended August 31, 2017****(Expressed in Canadian Dollars)****Unaudited**

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**2. Summary of significant accounting policies (continued)***Future accounting changes*

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

(i) IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010 and other dates thereafter. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 will be effective January 1, 2018, with earlier adoption permitted.

(ii) IFRS 16, Leases ("IFRS 16") was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will affect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases. The Standard is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted.

**3. Promissory notes**

On February 29, 2016, the Company issued additional promissory notes totaling \$60,000 to a director and a director and officer of the Company. The notes bear interest at 8% per annum and are payable on demand.

During the nine months ended August 31, 2017, the Company recorded an interest expense of \$3,925 (nine months ended August 31, 2016 - \$6,392) related to outstanding promissory notes.

**4. Mineral properties**

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	Three months ended August 31, 2017	Three months ended August 31, 2016	Nine months ended August 31, 2017	Nine months ended August 31, 2016
Acquisition costs	\$ 100,000	\$ 50,000	\$ 350,000	\$ 50,000
Claim staking	50	-	2,520	-
Meals and accommodations	176	-	406	-
Travel	41,171	-	54,210	-
Geological consultants	33,295	-	48,729	-
Geophysics	58,772	6,375	58,772	6,375
Administrative	-	10,371	-	10,371
Leases and taxes	-	67	-	1,325
Camp and equipment	26,122	-	26,122	-
	<b>\$ 259,586</b>	<b>\$ 66,813</b>	<b>\$ 540,759</b>	<b>\$ 68,071</b>

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## **BWR Exploration Inc. (formerly Black Widow Resources Inc.)**

### **Notes to Condensed Interim Financial Statements**

**Three and Nine Months Ended August 31, 2017**

**(Expressed in Canadian Dollars)**

**Unaudited**

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#### **4. Mineral properties (continued)**

##### Sakoose Mine Property

During the nine months ended August 31, 2017, the Company declined to make the all outstanding payments on the option agreement and allowed the option to terminate.

##### Little Stull Lake Gold Project

On July 12, 2016, the Company signed a non-binding Letter of Intent ("LOI") whereby the Company could acquire a 100% interest in the Little Stull Lake Gold project in Northern Manitoba from Puma Exploration Inc. (TSXV:PUM) ("Puma"). The Company made a \$50,000 deposit to Puma that provided it with an exclusive due diligence period during which the Company continued to evaluate the project and negotiate a definitive acquisition agreement.

On October 7, 2016, the Company signed a definitive acquisition agreement, whereby BWR could acquire a 100% interest in the Little Stull Lake Gold project. On December 2, 2016, the Company received TSX-V approval for the acquisition.

The main elements of the definitive agreement include:

- Cash payments of \$150,000 to Puma; the first \$50,000 was paid upon signing the LOI on July 11, 2016, with two additional milestone payments of \$50,000 each, payable within 30 days of Edmund Lake and Kistigan Mineral Exploration Licenses being granted and transferred to BWR by Manitoba Department of Natural Resources (licenses transferred and payments made during the nine months ended August 31, 2017).
- Puma will receive up to 10 million BWR common shares, of which 4,750,000 are subject to escrow provisions. 4,750,000 of the first 5,000,000 securities will be delivered to Puma upon execution and approval of the definitive agreement to be released in increments over a 36-month period, 250,000 shares will similarly be delivered as directed by Puma to a finder (5,000,000 issued and valued at \$250,000). The additional 5,000,000 additional securities are to be delivered to Puma as directed by Puma, upon certain exploration and development milestones being met by BWR over the next several years as follows:
  - i) 1 million shares to be issued once 500,000 ounces of gold have been identified in the measured and indicated category;
  - ii) 1 million additional shares to be issued once 1,000,000 ounces of gold have been identified in the measured and indicated category;
  - iii) 1 million additional shares to be issued once a positive preliminary economic analysis has been prepared;
  - iv) 2 million additional shares to be issued upon delivery of positive feasibility study
  - v) Notwithstanding the above, with respect to the additional 5,000,000 securities, BWR must expend \$1.5 million in exploration within the first 36 months of the effective date (October 5 2016). Failure on the part of BWR to do so will result in the additional 5,000,000 securities being issued to Puma in accordance with provisions of the escrow agreement.
- Puma nominated Marcel Robillard to be their representative on the BWR Board of Directors as part of the agreement. BWR added Mr. Robillard to its' Board of Directors upon closing of the agreement.
- Puma will have the right to maintain its' pro rata equity interest in BWR by investing in future financings of BWR for as long as it maintains greater than 10% equity. The pro rata equity interest calculation is as if Puma has received all 9.75 million shares.
- If commercial production is attained at the Little Stull Lake Project, Puma retains a non-buyable 1% NSR.

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**BWR Exploration Inc. (formerly Black Widow Resources Inc.)****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended August 31, 2017****(Expressed in Canadian Dollars)****Unaudited**

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**4. Mineral properties (continued)**

BWR has assumed Puma's right of first refusal regarding an underlying 1% net smelter royalty that is payable to Tanqueray Resources Inc. ("Tanqueray"). This underlying royalty is buyable in its entirety at anytime for \$3 million by BWR, Tanqueray has consented to this assignment.

**5. Share capital**

## a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

## b) Common shares issued

	<b>Number of common shares</b>	<b>Amount</b>
<b>Balance - November 30, 2015</b>	<b>31,709,961</b>	<b>\$ 1,877,120</b>
Common shares issued (i), (iii)	7,482,000	374,100
Warrants issued (i), (iii)	-	(164,739)
Cost of issue - cash (i), (iii)	-	(12,408)
Reversal of premium on flow-through shares converted to regular shares (ii)	-	6,570
<b>Balance - August 31, 2016</b>	<b>39,191,961</b>	<b>\$ 2,080,643</b>

<b>Balance - November 30, 2016</b>	<b>39,191,961</b>	<b>\$ 2,080,643</b>
Common shares issued for mineral property acquisition (note 4)	5,000,000	250,000
Private placement (iv)	11,535,500	619,275
Warrants issued (iv)	-	(400,098)
Cost of issue - cash (iv)	-	(76,148)
Cost of issue - broker warrants (iv)	-	(26,568)
<b>Balance - August 31, 2017</b>	<b>55,727,461</b>	<b>\$ 2,447,104</b>

(i) On December 22, 2015, the Company completed a non-brokered private placement. Under the placement, the Company issued 700,000 units at a price of \$0.05 per unit for gross proceeds of \$35,000.

Each unit consisted of a common share of the Company and one warrant of the Company. Each warrant issued expires eighteen months from the date of issue and entitles the holder thereof to purchase one additional common share at a price of \$0.10 per share. The fair value of the warrants was \$5,950 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, share price of \$0.015, expected volatility - 210% (based on historical volatility), risk-free interest rate - 0.52%, exercise price of \$0.10 and an expected average life of 1.5 years.

Neil Novak, President, CEO and a Director of the Company subscribed for 140,000 Units.

(ii) As at December 31, 2015, the Company was unable to meet their flow-through expenditure requirements. As a result of this, certain directors and officers agreed to convert their flow-through shares to common shares and the flow-through premium of \$6,570 attributed to these shares was reversed.

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**BWR Exploration Inc. (formerly Black Widow Resources Inc.)**  
**Notes to Condensed Interim Financial Statements**  
**Three and Nine Months Ended August 31, 2017**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

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**5. Share capital (continued)**

b) Common shares issued (continued)

(iii) On June 28, 2016 and August 11, 2016, the Company completed the first and final tranche, respectively, of a non-brokered private placement. Under the first tranche, the Company issued 2,000,000 units at a price of \$0.05 per unit for gross proceeds of \$100,000 and, under the final tranche, the Company issued 4,782,000 units at a price of \$0.05 per unit for gross proceeds of \$239,100.

Each unit consisted of a common share of the Company and one warrant of the Company. Each warrant issued expires twenty-four months from the date of issue and entitles the holder thereof to purchase one additional common share at a price of \$0.075 per share during the first twelve months then at \$0.10 per share for the remaining twelve months. The fair value of the warrants were estimated at \$46,043 and \$112,746, respectively, using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.06, expected volatility - 201% (based on historical volatility), risk-free interest rate - 0.53%, exercise price of \$0.0875 and an expected average life of 2 years.

Cash commissions totaling \$8,337 were paid to registered brokers on the basis of 7% of the value of the private placements by their clients.

Carmen L. Diges, Corporate Secretary of the Company, subscribed for 1,000,000 Units.

(iv) On March 28, 2017 and April 6, 2017, the Company completed the first and final tranche, respectively, of a non-brokered private placement. Under the first tranche, the Company issued 7,285,500 units at a price of \$0.05 per unit for gross proceeds of \$364,275 and 3,650,000 flow-through units ("FT Units") at \$0.06 per FT Unit for gross proceeds of \$219,000. Under the final tranche, the Company issued an additional 600,000 FT Units for gross proceeds of \$36,000.

Each non flow-through unit consisted of one common share of the Company plus one share purchase warrant ("Warrant"). Each Warrant will expire 24 months from the date of issue and will entitle the holder to purchase one common share at a price of \$0.075. Each FT Unit consisted of one common share of the Company plus one-half share purchase warrant ("FT Warrant"). Each FT Warrant will expire 24 months from the date of issue and will entitle the holder to purchase one common share at a price of \$0.10. Cash commissions totaling \$28,500 were paid to registered brokers on the basis of 8% of the value of the private placements by their clients. In addition 644,840 broker warrants were issued to registered brokers on the basis of 8% of number of units subscribed for by their clients. Each broker warrant entitles the holder to purchase a common share for a period of 24 months from the date of issuance at a price per share of \$0.10.

The fair value of the 7,285,500 Warrants and 2,125,000 FT Warrants were estimated at \$312,548 and \$87,550, respectively, using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.055, expected volatility - 185% (based on historical volatility), risk-free interest rate - 0.74%, exercise price of \$0.08 and an expected average life of 2 years.

The fair value of the 644,840 broker warrants was estimated at \$26,568, using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.055, expected volatility - 185% (based on historical volatility), risk-free interest rate - 0.74%, exercise price of \$0.10 and an expected average life of 2 years.

**BWR Exploration Inc. (formerly Black Widow Resources Inc.)**  
**Notes to Condensed Interim Financial Statements**  
**Three and Nine Months Ended August 31, 2017**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

**6. Warrants**

The following summarizes the warrant activity for the nine months ended August 31, 2017 and 2016:

	Number of warrants	Weighted average exercise price
<b>Balance - November 30, 2015</b>	<b>1,720,640</b>	<b>\$ 0.13</b>
Issued (Note 5(b)(i), (iii))	7,482,000	0.08
Expired	(879,140)	(0.10)
<b>Balance - August 31, 2016</b>	<b>8,323,500</b>	<b>\$ 0.09</b>
<b>Balance - November 30, 2016</b>	<b>7,998,500</b>	<b>\$ 0.09</b>
Issued (Note 5(b)(iv))	10,055,340	0.08
Expired	(1,216,500)	0.16
<b>Balance - August 31, 2017</b>	<b>16,837,340</b>	<b>\$ 0.08</b>

As of August 31, 2017, the following warrants were outstanding:

Expiry Date	Number of warrants	Exercise price (\$)	Fair value on grant (\$)
June 28, 2018	2,000,000	0.10	46,043
August 10, 2018	4,782,000	0.10	112,746
March 28, 2019	2,421,840	0.10	99,780
March 28, 2019	7,285,500	0.075	312,548
April 6, 2019	348,000	0.10	14,338
	<b>16,837,340</b>	<b>0.08</b>	<b>585,455</b>

**7. Stock options**

The following summarizes the stock option activity for the nine months ended August 31, 2017 and 2016:

	Number of stock options	Weighted average exercise price
<b>Balance - November 30, 2015</b>	<b>2,000,000</b>	<b>\$ 0.17</b>
Granted (i)	930,000	0.05
<b>Balance - August 31, 2016</b>	<b>2,930,000</b>	<b>\$ 0.13</b>
<b>Balance - November 30, 2016</b>	<b>2,930,000</b>	<b>\$ 0.13</b>
Granted (ii), (iii)	1,587,500	0.08
Forfeited	(50,000)	0.20
<b>Balance - August 31, 2017</b>	<b>4,467,500</b>	<b>\$ 0.11</b>

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**BWR Exploration Inc. (formerly Black Widow Resources Inc.)****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended August 31, 2017****(Expressed in Canadian Dollars)****Unaudited**

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**7. Stock options (continued)**

(i) On March 21, 2016, the Company granted 930,000 stock options to certain officers, directors and consultants with an exercise price of \$0.05, fully vested on issuance and with an expiry date of March 21, 2021. The fair value of these stock options was estimated at \$22,320 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 187% (based on historical volatility), risk-free interest rate - 0.73% and an expected average life of 5 years.

(ii) On January 30, 2017, the Company granted 500,000 stock options to a consultant with an exercise price of \$0.10 per share, vesting 25% in three months and at the end of six, nine and twelve months, with an expiry date of January 30, 2019. The fair value of these stock options was estimated at \$18,700 using the Black-Scholes option pricing formula with the following weighted average assumptions: expected dividend yield - 0%, expected volatility - 188%, risk-free interest rate - 0.79% and an expected average life of 2 years. The stock options were valued based on the equity instrument granted as no value could be determined for the service.

(iii) On May 29, 2017, the Company granted 1,087,500 stock options to certain officers, directors and consultants with an exercise price of \$0.075, fully vested on issuance and with an expiry date of May 29, 2022. The fair value of these stock options was estimated at \$56,659 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 178% (based on historical volatility), risk-free interest rate - 0.95% and an expected average life of 5 years.

As of August 31, 2017, the following stock options were outstanding:

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<b>Expiry Date</b>	<b>Exercise price (\$)</b>	<b>Number of stock options</b>	<b>Number of exercisable stock options</b>	<b>Weighted average contractual life (years)</b>	<b>Grant date fair value (\$)</b>
June 6, 2018	0.20	1,300,000	1,300,000	0.76	84,500
January 30, 2019	0.10	500,000	250,000	1.42	18,700
August 11, 2019	0.10	650,000	650,000	1.95	43,615
March 21, 2021	0.05	930,000	930,000	3.56	22,320
May 29, 2022	0.075	1,087,500	1,087,500	4.75	56,659
	<b>0.11</b>	<b>4,467,500</b>	<b>4,217,500</b>	<b>2.56</b>	<b>225,794</b>

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**8. Loss per share**

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	<b>Three months ended August 31, 2017</b>	<b>Three months ended August 31, 2016</b>	<b>Nine months ended August 31, 2017</b>	<b>Nine months ended August 31, 2016</b>
Net loss per share:				
- basic	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
- diluted	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Net loss for the period	\$ (346,166)	\$ (113,094)	\$ (860,103)	\$ (234,677)
Weighted average outstanding - basic	55,727,461	33,625,396	50,520,932	33,167,197
Weighted average outstanding - diluted	55,727,461	33,625,396	50,520,932	33,167,197

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**BWR Exploration Inc. (formerly Black Widow Resources Inc.)****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended August 31, 2017****(Expressed in Canadian Dollars)****Unaudited**

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**8. Loss per share (continued)**

Basic loss per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted loss per share, an adjustment is not made for the dilutive effect of outstanding warrants and outstanding stock options as they are anti-dilutive.

**9. General and administrative expenses**

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	Three months ended August 31, 2017	Three months ended August 31, 2016	Nine months ended August 31, 2017	Nine months ended August 31, 2016
Consulting fees (Note 10)	\$ 21,000	\$ 20,000	\$ 100,313	\$ 50,000
Accounting and corporate secretarial fees (Note 10)	9,072	9,343	29,320	29,697
Professional fees	8,145	2,600	18,671	8,400
Office and general (Note 10)	15,091	11,162	41,111	38,137
Travel and accommodation	4,941	1,040	7,399	1,040
Investor relations and shareholder information	24,027	2,136	50,145	10,442
Share-based payments (Note 10)	4,304	-	72,385	22,320
	<b>\$ 86,580</b>	<b>\$ 46,281</b>	<b>\$ 319,344</b>	<b>\$ 160,036</b>

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**10. Related party transactions**

The Chief Financial Officer is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services and office space. During the three and nine months ended August 31, 2017, the Company incurred \$7,624 and \$25,220, respectively (three and nine months ended August 31, 2016 - \$7,401 and \$24,810, respectively) for accounting services rendered by MSSI and \$2,475 and \$7,425, respectively for rent expense (three and nine months ended August 31, 2016 - \$2,475 and \$7,425, respectively). As at August 31, 2017, MSSI was owed \$5,029 (November 30, 2016 - \$16,497) and this amount was included in accounts payable and accrued liabilities.

DSA Corporate Services Inc. ("DSA"), a firm providing corporate secretarial and filing services, is affiliated with MSSI through a common officer. During the three and nine months ended August 31, 2017, the Company incurred \$1,823 and \$6,542, respectively (three and nine months ended August 31, 2016 - \$2,540 and \$7,251, respectively) for services rendered by DSA. As at August 31, 2017, DSA was owed \$2,060 (November 30, 2016 - \$1,508) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from Nominex Ltd. ("Nominex"), a company controlled by the President and Chief Executive Officer ("CEO"). The fees consisted of consulting fees of \$15,000 and \$47,313, respectively, during the three and nine months ended August 31, 2017 (three and nine months ended August 31, 2016 - \$15,000 and \$45,000, respectively) for CEO services and exploration and evaluation expenditures of \$38,718 and \$50,052, during the three and nine months ended August 31, 2017 (three and nine months ended August 31, 2016 - \$nil) for geological consulting. As at August 31, 2017, Nominex was owed \$107,500 (November 30, 2016 - \$115,000) and this amount was included in accounts payable and accrued liabilities.

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**BWR Exploration Inc. (formerly Black Widow Resources Inc.)****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended August 31, 2017****(Expressed in Canadian Dollars)****Unaudited**

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**10. Related party transactions (continued)**

The Company received legal services from REVLaw, where the Company's Corporate Secretary is a partner. During the three and nine months ended August 31, 2017, the Company incurred \$6,000 and \$44,000 (three and nine months ended August 31, 2016 - \$nil) for services rendered by REVLaw. As at August 31, 2017, REVLaw was owed \$44,000 (November 30, 2016 - \$nil) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from G. Duguay Services Inc., a company controlled by a director of the Company. During the three and nine months ended August 31, 2017, the Company incurred \$6,000 and \$28,000 (three and nine months ended August 31, 2016 - \$nil) for services rendered by G. Duguay Services Inc. As at August 31, 2017, G. Duguay Services Inc. was owed \$28,000 (November 30, 2016 - \$nil) and this amount was included in accounts payable and accrued liabilities.

On February 29, 2016, the Company issued promissory notes totaling \$60,000 (\$67,623 including accrued interest at August 31, 2017) to a director and a director and officer of the Company. The notes bear interest at 8% per annum and are payable on demand.

As at August 31, 2017, the Company has accounts payable to a Company controlled by two directors of the Company of \$4,787 (November 30, 2016 - \$4,787).

The above noted transactions are in the normal course of business.

To the knowledge of the directors and senior officers of the Company, as at August 31, 2017, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below. None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

As of August 31, 2017, directors and officers with control of less than 10% of the common shares of the Company collectively control 13,487,800 common shares of the Company or approximately 24% of the total common shares outstanding.

Remuneration of key management personnel of the Company, other than consulting fees, was as follows:

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	<b>Three months ended August 31, 2017</b>	<b>Three months ended August 31, 2016</b>	<b>Nine months ended August 31, 2017</b>	<b>Nine months ended August 31, 2016</b>
Share-based payments	\$ -	\$ -	\$ 56,659	\$ 21,720

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**11. Segmented information**

The Company operates in one reportable operating segment, being the acquisition and exploration and evaluation of mineral properties located in Canada.