

Metron Capital Corp.

Interim Financial Statements

For the three months ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

(Unaudited)

Notice to Reader

These condensed interim financial statements of Metron Capital Corp. have been prepared by management and approved by Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Metron Capital Corp.
Condensed Interim Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	<i>Note</i>	August 31, 2017	May 31, 2017
Assets			
Current assets			
Cash		\$ 609,753	\$ 649,102
Receivable	4	-	2,300
		609,753	651,402
Exploration and evaluation assets	5	20,000	20,000
		\$ 629,753	\$ 671,402
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 123,519	\$ 177,111
Equity			
Common shares	7	\$ 1,244,637	\$ 1,186,641
Reserves	7	55,350	55,350
Deficit		(793,753)	(747,700)
		506,234	494,291
		\$ 629,753	\$ 671,402
Going concern	1		

Approved and authorized on behalf of the Board of Directors on October 27, 2017:

"Gurminder Sangha"

"Jurgen Wolf"

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

Metron Capital Corp.
Condensed Interim Statements of Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)

		Three months ended August 31,	
	<i>Note</i>	2017	2016
Expenses			
Accounting and audit fees		\$ 3,675	\$ 4,536
Exploration and evaluation expenditures	6	22,349	-
Legal fees		10,000	3,359
Office and administrative		159	-
Shareholder communications		9,870	27,044
		46,053	34,939
Comprehensive loss for the period		\$ 46,053	\$ 34,939
Basic and diluted loss per share		\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding		16,383,928	3,250,000

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

Metron Capital Corp.
Condensed Interim Statements of Changes in Equity

(Unaudited - expressed in Canadian Dollars)

	<i>Note</i>	Number of shares	Share capital	Share-based payment reserve	Deficit	Total
Balance, May 31, 2016		1,250,000	\$ 496,088	\$ 55,350	\$ (645,559)	\$ (94,121)
Shares issued on financing	7	2,000,000	100,000	-	-	100,000
Share issuance costs		-	(2,528)	-	-	(2,528)
Net loss for the period		-	-	-	(34,939)	(34,939)
Balance, August 31, 2016		3,250,000	\$ 593,560	\$ 55,350	\$ (680,498)	\$ (31,588)
Balance, May 31, 2017		15,224,000	\$ 1,186,641	\$ 55,350	\$ (747,700)	\$ 494,291
Shares issued on settlement of accounts payable and accrued liabilities	6, 7	1,159,928	57,996	-	-	57,996
Net loss for the period		-	-	-	(46,053)	(46,053)
Balance, August 31, 2017		16,383,928	\$ 1,244,637	\$ 55,350	\$ (793,753)	\$ 506,234

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

Metron Capital Corp.
Condensed Interim Statements of Cash Flows
(Unaudited - expressed in Canadian Dollars)

	Three months ended August 31,	
	2017	2016
Operating activities		
Net loss	\$ (46,053)	\$ (34,939)
Changes in non-cash working capital items:		
Receivables	2,300	-
Accounts payable and accrued liabilities	4,404	45,828
	(39,349)	10,889
Financing activities:		
Private placement (net of share issue)	-	97,472
	-	97,472
Increase (decrease) in cash during the period	(39,349)	108,361
Cash, beginning of period	649,102	1,610
Cash, end of period	\$ 609,753	\$ 109,971

Supplemental Investing and Financing Activities:

During the period ended August 31, 2017, the Company issued 1,159,928 common shares (5,799,642 pre-consolidated common shares) with a fair value of \$57,996 as settlement of account payables and accrued liabilities with a non-related party (Note 6, 7).

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

1. Nature and continuance of operations

Metron Capital Corp. (the "Company") is a Canadian company incorporated under the laws of the Province of British Columbia on March 4, 2008. The corporate head office of the Company is located at Suite 2000, 1500 West Georgia Street, Vancouver, BC, V6G 2Z6.

The Company was initially formed as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "TSX-V" or "Exchange"). The Company was as unable to complete a Qualifying Transaction within the prescribed time frame of the Company's listing date on the Exchange and as a result, trading in the shares of the Company were suspended on February 4, 2013 and were subsequently delisted on April 10, 2015. In March 2016, the Company made an application with the securities commissions for a revocation of the cease trade orders issued against the Company and on November 1, 2016, the Company announced that the cease trade orders were fully revoked by the securities commissions. The Company is currently working through the listing application process for the relisting of its common shares on the TSX-V.

The principal business of the Company is to identify, evaluate and negotiate an acquisition of, a participation in or an investment in significant assets located in Canada.

On July 14, 2017, the Company consolidated its share capital on the basis of five old common shares for one new common share. Outstanding share purchase warrants were adjusted by the consolidation ratio. All common shares, per common share amounts and share purchase warrants in these financial statements have been retroactively restated to reflect the share consolidation.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at August 31, 2017, the Company had working capital of \$506,234. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. Significant accounting policies and basis of preparation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these interim financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as at the date the Board of Directors approved these interim financial statements for issue.

These interim financial statements do not include all of the information and disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's annual financial statements for the year ended May 31, 2017.

These financial statements were approved by the board of directors for issue on October 27, 2017.

Basis of preparation

These unaudited condensed interim financial statements, prepared in conformity with IAS 34, follow the same accounting policies and methods of computation as the most recent audited annual financial statements.

Foreign currency translation

The Company's functional and reporting currency is the Canadian dollar. Foreign currency monetary assets and liabilities are initially recorded at the functional currency rate prevailing at the date of transaction, and retranslated at the spot rate of exchange at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the transaction date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the

2. Significant accounting policies and basis of preparation (continued)

date when the fair value was determined. Foreign exchange gains and losses are included in the determination of net loss.

Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas of estimation made by management are as follows:

i) Recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Management has made certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established.

Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Use of judgements

The preparation of financial statements also requires management to make judgements aside from those that involve estimates, in the process of applying the accounting policies. These judgements can have an effect on the amounts recognized in the financial statements. Significant judgements used in the preparation of these financial statements are as follows:

- i) Those relating to the assessment of the Company's ability to continue as a going concern;
- ii) The classification of financial instruments; and
- iii) The recognition of deferred tax.

3. New standards, interpretations and amendments issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of August 31, 2017, and have not been applied in preparing these financial statements.

i) New Standard IFRS 9 - Financial instruments, classification and measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2018.

ii) New standard IFRS 16 - Leases

This new standard was issued with the objective to recognize all leases on the balance sheet. IFRS 16 requires lessees to recognize a "right of use" asset and a lease liability calculated using a prescribed methodology. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided that *IFRS 15, Revenue from Contracts with Customers*, is also adopted.

The Company has not early adopted these new and revised standards and none of these standards are expected to have a material effect on the financial statements.

4. Receivables

During the period ended August 31, 2017, the Company had received \$2,300 in receivables due from share subscriptions in connection with the May 31, 2017 non-brokered private placement.

5. Exploration And Evaluation Assets

Exploration and evaluation assets deferred to the statements of financial position are as follows:

	May 31, 2017	Additions	Written-down	August 31, 2017
Nevada				
South Big Smoky	\$ 20,000	\$ -	\$ -	\$ 20,000

South Big Smoky

On December 2, 2016, the Company entered into an option agreement ("Option Agreement") with Ultra Lithium Inc. ("Ultra") to acquire a 100% interest in 100 mineral claims comprising the South Big Smoky Property (the "South Big Smoky") by making the following cash payments, share issuances and exploration expenditures, all according to the table below:

Due Dates	Cash Payments	Exploration Expenditures	Issuance of Shares
April 2, 2017 (paid and issued)	\$ 15,000	\$ -	100,000
September 30, 2017 (completed)	-	20,000	-
December 2, 2017	30,000	-	100,000
May 31, 2018	-	150,000	-
December 2, 2017	60,000	-	200,000
May 31, 2019	-	250,000	-
Total consideration	\$ 95,000	\$ 420,000	400,000

The South Big Smoky property is subject to a 3% net smelter returns royalty ("NSR") to Ultra. The Company has the right to purchase 1% of the NSR for \$1,500,000 at any time up to when a production decision is made. The South Big Smoky property has a 5-kilometer area of interest, and any and all claims that may be staked by either Ultra or the Company within this area will become part of the Option Agreement.

Exploration and evaluation expenditures included in the loss for the three months ended August 31, 2017 and 2016 are as follows:

	Three months ended August 31, 2017	2016
Nevada		
South Big Smoky		
Mining claim maintenance fees	\$ 22,349	\$ -

6. Accounts payable and accrued liabilities

	August 31, 2017	May 31, 2017
Accounts payables and accrued liabilities	\$ 13,134	\$ 73,104
Amounts due to related parties (Note 7)	110,385	104,007
	\$ 123,519	\$ 177,111

During the three month period ended August 31, 2017, the Company issued 1,159,928 common shares with a fair value of \$57,996 as settlement of account payables and accrued liabilities with a non-related party (Note 7).

7. Share capital

a) Authorized

The Company has unlimited number of common and preferred shares authorized, without par value.

b) Issued share capital

The number of shares reflects a share consolidation on a five old common shares for one new common share basis completed during the period ended August 31, 2017. All common shares, per common share amounts and share purchase warrants in these financial statements have been retroactively restated to reflect the share consolidation.

The Company had 16,383,928 common shares issued and outstanding as at August 31, 2017 (May 31, 2017 – 15,224,000).

Share issuances for the three month period ended August 31, 2017

On June 15, 2017, the Company issued 1,159,928 common with a fair value of \$57,996, as settlement of account payables and accrued liabilities with a non-related party (Note 6).

Share issuances for the three month period ended August 31, 2016

On August 26, 2016, the Company completed a non-brokered private placement of 2,000,000 units (Units”) at a price of \$0.05 per Unit for gross proceeds of \$100,000. Each Unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.10 until August 26, 2017. The Company incurred share issue costs of \$2,528.

c) Options

The Company has adopted a stock option plan which allows the Company to issue options to certain directors, officers, employees and consultants of the Company to acquire up to 10% of the issued and outstanding common stock. Under the policies of the TSX-V, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Stock options granted under the plan vest immediately subject to vesting terms which may be imposed at the discretion of the directors.

As at August 31, 2017 and May 31, 2017, there were no options outstanding.

7. Share capital (continued)

d) Share purchase warrants

The continuity for share purchase warrants for the three month period ended August 31, 2017 is as follows:

Expiry date	Exercise price	Balance May 31, 2017	Issued	Exercised	Expired	Balance August 31, 2017
August 26, 2017	\$ 0.10	2,000,000	-	-	(2,000,000)	-
Weighted average exercise price	\$ 0.10	\$ -	\$ -	\$ 0.10	\$ -	

8. Related party transactions and key management compensation

Related party transactions

During the three month period ended August 31, 2017 and 2016, the Company did not accrue or pay any amounts to its officers and directors.

Key management personnel compensation

During the three month period ended August 31, 2017 and 2016, the Company did not accrue or pay any amounts to its key management. Key management includes the Company's directors and officers.

There were no standard compensation arrangements, or other arrangements in addition to or in lieu of standard arrangements, under which the officers and directors of the Company were compensated for services in their capacity as officers and directors (including any additional amounts payable for committee participation or special assignments), or for services as consultants or experts.

Related party balances

An amount of \$110,385 for expenses incurred on behalf of the Company, is owed to officers and directors and are included in accounts payable and accrued liabilities at August 31, 2017 (2016 - \$104,007) (Note 6).

9. Financial instruments and risk management

The Company's risk exposure and impact on the Company's financial instruments are summarized below:

a) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company is not subject to significant credit risk on cash as it is held on deposit with credit worthy financial institutions.

b) Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its working capital position.

Cash resources, repayment obligations and spending plans are monitored and actions are taken with the objective of ensuring that there is sufficient capital in order to meet short-term business requirements. To facilitate its expenditure program, funds are raised primarily through investment equity financing. Adequate liquidity is anticipated to fund its financial liabilities through future equity contributions.

As at August 31, 2017, financial liabilities were comprised of accounts payable which have a maturity of less than one year.

9. Financial instruments and financial risk management (continued)

c) Market risk

i) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risks on cash is not considered significant.

ii) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

iii) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rate. The Company is not exposed to foreign currency exchange risk.

d) Fair value

The recorded value of the Company's financial assets and liabilities approximate their fair values due to their demand nature and their short term to maturity.

e) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company does not expect any material movements in the underlying market risk variables over a three-month period.

10. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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, issue debt, acquire or dispose of assets or adjust the amount of cash held by the Company.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company does not have sufficient capital resources to carry out all of its obligations and, accordingly, will attempt to raise additional capital when necessary. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

11. Fair value of financial instruments

Classification

At August 31, 2017 and May 31, 2017, the Company held financial instruments carried at fair value on the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Cash is valued using quoted market prices and has been included in Level 1 of the fair value hierarchy.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

Level 3 – Inputs that are not based on observable market data.