



CLEGHORN MINERALS LTD.

Interim condensed financial statements (unaudited)

For the three-month and six-month periods ended on September 30, 2017 and 2016.

CLEGHORN MINERALS LTD.

INTERIM CONDENSED FINANCIAL STATEMENTS

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Notice to Reader

The accompanying unaudited interim condensed financial statements of Cleghorn Minerals LTD. (the "Company") for the three-month and six-month periods ended on September 30, 2017 and 2016 have been prepared by the management and are its responsibility. These unaudited interim condensed financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed financial statements have not been reviewed by the Company's auditors.

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

As at	(Unaudited - in Canadian dollars)		
	Notes	September 30, 2017	March 31, 2017
		\$	\$
ASSETS			
Current			
Cash	5	679,307	768,259
Accounts receivable		-	5,000
Sales taxes recoverable		6,706	5,048
Prepaid expenses		<u>2,600</u>	<u>5,200</u>
		688,613	783,507
Non-current			
Exploration and evaluation assets	6	<u>455,935</u>	<u>418,132</u>
Total assets		<u><u>1,144,548</u></u>	<u><u>1,201,639</u></u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities		12,105	13,450
Liability component related to the flow-through units		<u>176,808</u>	<u>197,287</u>
Total liabilities		<u>188,913</u>	<u>210,737</u>
EQUITY			
Share capital	7	1,680,797	1,680,797
Contributed surplus	8	196,929	196,929
Warrants	7	250,449	250,449
Deficit		<u>(1,172,540)</u>	<u>(1,137,273)</u>
Total equity		<u>955,635</u>	<u>990,902</u>
Total liabilities and equity		<u><u>1,144,548</u></u>	<u><u>1,201,639</u></u>

Going Concern (Note 2)

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

On behalf of the Board of Directors,

"Glenn J. Mullan"
(signed Glenn J. Mullan)
Director

"Andrew T. Pepper"
(signed Andrew T. Pepper)
Director

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three-month and six-month periods ended on

(Unaudited - in Canadian dollars)

Notes	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (6 months)	September 30, 2016 (6 months)
			\$	\$
Operating expenses				
Audit and accounting fees	16,054	4,696	31,874	11,976
Legal fees	2,391	8,095	5,380	8,920
Consultant fees	-	-	99	-
Regulatory and transfer agent fees	3,102	4,624	8,376	11,980
Shareholder's information	609	2,393	609	2,393
Investor relation fees	5,160	-	7,929	-
Office expenses	751	613	1,218	613
Expenses related to potential Qualifying Transaction	9 -	12,741	-	13,789
Operating loss	<u>28,067</u>	<u>33,162</u>	<u>55,485</u>	<u>49,671</u>
Other expenses (income)				
Interest expense	113	28	261	86
Reversal of liability component related to the flow-through units	<u>(11,362)</u>	<u>-</u>	<u>(20,479)</u>	<u>-</u>
	<u>(11,249)</u>	<u>28</u>	<u>(20,218)</u>	<u>86</u>
Net loss and comprehensive loss	<u><u>16,818</u></u>	<u><u>33,190</u></u>	<u><u>35,267</u></u>	<u><u>49,757</u></u>
Basic and diluted net loss per common share	<u><u>0.001</u></u>	<u><u>0.003</u></u>	<u><u>0.002</u></u>	<u><u>0.006</u></u>
Weighted average number of common shares outstanding	<u><u>20,258,618</u></u>	<u><u>11,984,816</u></u>	<u><u>20,258,618</u></u>	<u><u>8,213,380</u></u>

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

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

For the six-month periods ended on September 30, 2017 and 2016

(Unaudited - in Canadian dollars)

	Notes	Share capital		Warrants	Contributed Surplus	Deficit	Total
		Number	\$	\$	\$	\$	\$
Balance on April 1st, 2016		4,400,500	880,100	-	115,327	(870,235)	125,192
Shares issued on acquisition of exploration and evaluation assets		7,888,928	394,446	-	-	-	394,446
Units issued by private placement		7,813,350	390,668	243,231	-	-	633,899
Units issued to settle issue expenses		155,840	15,584	7,218	-	-	22,802
Units issue cost		-	-	-	-	(106,800)	(106,800)
Net loss and comprehensive loss		-	-	-	-	(49,757)	(49,757)
Balance on September 30, 2016		<u>20,258,618</u>	<u>1,680,798</u>	<u>250,449</u>	<u>115,327</u>	<u>(1,026,792)</u>	<u>1,019,782</u>
Balance on April 1st, 2017		20,258,618	1,680,797	250,449	196,929	(1,137,273)	990,902
Net loss and comprehensive loss		-	-	-	-	(35,267)	(35,267)
Balance on September 30, 2017		<u>20,258,618</u>	<u>1,680,797</u>	<u>250,449</u>	<u>196,929</u>	<u>(1,172,540)</u>	<u>955,635</u>

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

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the three-month and six-month periods ended on

(Unaudited - in Canadian dollars)

Notes	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (6 months)	September 30, 2016 (6 months)
			\$	\$
OPERATING ACTIVITIES				
Net loss	(16,818)	(33,190)	(35,267)	(49,757)
Non-cash profit or loss items				
Reversal of liability component related to the flow-through units	(11,362)	-	(20,479)	-
	(28,180)	(33,190)	(55,746)	(49,757)
Change in non-cash working capital items				
Receivables	5,000	68,309	5,000	68,309
Sales taxes recoverable	(266)	(2,443)	(1,658)	(3,942)
Prepaid expenses	1,300	681	2,600	681
Accounts payable and accrued liabilities	(9,397)	6,703	(2,721)	7,919
	(3,363)	73,250	3,221	72,967
Net cash related to operating activities	(31,543)	40,060	(52,525)	23,210
INVESTING ACTIVITIES				
Additions to exploration and evaluation assets	(36,230)	(6,286)	(36,427)	(6,286)
Net cash related to investing activities	(36,230)	(6,286)	(36,427)	(6,286)
FINANCING ACTIVITIES				
Issuance of units	-	846,602	-	846,602
Cost related to the issuance of units	-	(83,998)	-	(83,998)
Net cash related to financing activities	-	762,604	-	762,604
Increase (decrease) in cash	(67,773)	796,378	(88,952)	779,528
	-			
Cash, beginning of period	747,080	39,406	768,259	56,256
Cash, end of period	679,307	835,784	679,307	835,784

Additional cash flow information (Note 10)

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

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At September 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Cleghorn Minerals Ltd., incorporated on February 16, 2010 under the Business Corporations Act of British Columbia (the "Company") is involved in the process of exploring, evaluating and promoting its mineral property and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, J9P 7B6.

The common shares of the Company are trading on the TSX Venture Exchange ("TSX"). Effective October 23, 2017, the trading symbol changed from "JZZ" to "CZZ". There has been no change to the Company's name and Cusip number and no consolidation of capital.

NOTE 2. GOING CONCERN ASSUMPTION AND COMPLIANCE WITH IFRS

These interim condensed financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the basis of the going concern assumption, which presumes the Company will continue its operations and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Company is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. During the six-month period ended September 30, 2017, the Company has incurred a net loss and comprehensive loss of \$35,267 (for the year ended March 31, 2017 – \$157,890) and has an accumulated deficit of \$1,172,540 (March 31, 2017 – \$1,137,273). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company's ability to continue as a going concern is subject to its ability to raise additional financing or reduce its expenditure levels. The Company's discretionary activities do have some scope for flexibility in terms of the amount and timing of expenditures, and to a certain extent, expenditures may be adjusted accordingly. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding will be available to the Company or that they will be available on terms acceptable to the Company. These material uncertainties cast significant doubt regarding the ability to continue as a going concern.

The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

NOTE 3. BASIS OF PRESENTATION

These interim condensed financial statements, approved by the Board of Directors on October 31, 2017, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". These interim condensed financial statements as well as the related notes should be read in conjunction with the audited financial statements of the Company as at March 31, 2017.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and evaluation of financial statements

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 3 - Significant Accounting Policies, of the Company's annual audited financial statements for the year ended March 31, 2017.

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At September 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 5. CASH

	September 30, 2017	March 31, 2017
	\$	\$
Cash	353,792	405,041
Cash held for exploration expenses	325,515	363,218
	679,307	768,259

The cash held for exploration expenses represents the balance on flow-through financing not spent according to restrictions imposed by this financing arrangement. The Company has to dedicate these funds to mining properties exploration and has until December 31, 2017 to fulfill these requirements. There is no guarantee that expenses incurred will be eligible.

NOTE 6. EXPLORATION AND EVALUATION ASSETS

On January 5, 2015, the Company entered into a Mineral Claim Purchase Agreement, as amended and restated on April 1, 2015 and further amended and restated on May 14, 2015, with 2973090 Canada Inc. (the "Vendor") to acquire a 100% undivided interest in the Meech Lake Matachewan Prospect. The acquisition was completed on August 18, 2016. The Meech Lake Matachewan Prospect consists of three (3) mining claims situated in Argyle, McNeil and Robertson Townships, approximately 25 km Northwest of Matachewan, in Northeastern Ontario.

Pursuant to the acquisition agreement, the Company granted the vendor a 3% NSR on metals or minerals produced from the property. The Company shall be entitled to repurchase 0.5% of the NSR, leaving the vendor with a 2.5% NSR, by paying to the vendor \$1,000,000, and an additional 1%, leaving the vendor with a 1.5% NSR, by paying the vendor an additional \$3,000,000.

On October 7, 2016, as part of a prospecting funding application, the Company signed a funding and royalty agreement with Ontario Exploration Corporation («OEC») under which the Company granted a 0.5% NSR on its Meech Lake Matachewan Prospect in consideration of \$10,000 in cash payable as \$5,000 upon signature of the agreement and \$5,000 upon approval by the OEC of the final submission form and technical report and delivery by the Company of an assessment credit approval letter.

The royalty has a buyback clause which provides that the Company can purchase one-half of the 0.5% royalty for a dollar value that increases over time, ranging from a purchase price of \$15,000 before the second anniversary of the date of the agreement to a purchase price of \$250,000 from the 11th anniversary of the agreement and beyond.

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At September 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 6. EXPLORATION AND EVALUATION ASSETS (Continued)

The following table presents a summary of exploration and evaluation assets:

	March 31, 2016	Additions	March 31, 2017	Additions	September 30, 2017
	\$	\$	\$	\$	\$
Meech Lake Matachewan Prospect (Ontario)					
Acquisition	-	399,446	399,446	-	399,446
Claim maintenance	-	302	302	100	402
Consultants	-	5,562	5,562	-	5,562
Sampling & testing	-	10,256	10,256	-	10,256
Geophysics	-	1,580	1,580	-	1,580
Geology	-	9,261	9,261	6,193	15,454
Line cutting	-	-	-	31,405	31,405
Maps and publications	-	1,725	1,725	-	1,725
Technical & field staff	-	-	-	69	69
General expenses	-	-	-	36	36
Proceeds from the sale of a 0.5% NSR	-	(10,000)	(10,000)	-	(10,000)
	<u>-</u>	<u>418,132</u>	<u>418,132</u>	<u>37,803</u>	<u>455,935</u>

NOTE 7. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Transaction on share capital

On August 18, 2016, the Company completed the acquisition of the Meech Lake Matachewan Prospect, and pursuant to the acquisition agreement issued an aggregate of 7,888,928 common shares in payment at a deemed price of \$0.05 per share. The common shares issued in payment for the acquisition are subject to escrow restrictions in accordance with the policies of the TSX.

Concurrently to the acquisition of the Meech Lake Matachewan Prospect, the Company completed a non-brokered private placement offering for total gross proceeds of \$846,602 of which the particulars are as follows:

The Company issued 3,263,350 flow-through units (the "FT Units") at a per FT Unit price of \$0.12 for gross proceeds of \$391,602, each FT Unit consisting of one common share in the capital of the Company issued on a flow-through basis under the Canada Income Tax Act and one-half of one non-transferable non-flow-through common share purchase warrant, each whole warrant entitling the holder to purchase one non-flow-through common share in the capital of the Company at a price of \$0.15 per share until February 18, 2018. The fair value of the 1,631,674 warrants was estimated at \$0.01 using the Black-Scholes pricing model with the following assumptions: an expected volatility of 100%, a risk-free interest rate of 0.56%, an expected unit life of 1.5 years, no expected dividend yield and a share price at date of grant of \$0.05. As a result, the warrants were valued at \$15,731 and recorded under Warrants in the statement of changes in equity. Also, an amount of \$212,704 was attributed to the liability component related to the flow-through units and recorded as such in liabilities.

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At September 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 7. SHARE CAPITAL (Continued)

The Company issued 4,550,000 units (the "Units") at a per Unit price of \$0.10 for gross proceeds of \$455,000, each Unit consisting of one non-flow-through common share in the capital of the Company and one non-transferable common share purchase warrant, entitling the holder to purchase one common share in the capital of the Company at a price of \$0.12 per share until February 18, 2018. The warrants were valued at \$227,500 based on the residual method and recorded under Warrants in the statement of changes in equity.

In connection with the private placement, the Company paid finder's fees to various arms' length parties of an aggregate of \$48,434 in cash and issued an aggregate of 155,840 common shares in lieu of cash fees at a deemed price of \$0.10 per share, plus an aggregate of 602,200 non-transferable warrants (the "Finder Warrants"). Each Finder Warrant will entitle the holder to purchase one common share in the capital of the Company at a price of \$0.12 per share until February 18, 2018. The fair value of the 602,200 Finder Warrants was estimated at \$0.01 using the Black-Scholes pricing model with the following assumptions: an expected volatility of 100%, a risk-free interest rate of 0.56%, an expected unit life of 1.5 years, no expected dividend yield and a share price at date of grant of \$0.05. As a result, the Finder Warrants were valued at \$7,218 and recorded under Warrants in the statement of changes in equity.

Total issuance cost of \$109,148 was incurred in connection with the non-brokered private placement: finder's fees of \$48,434, legal fees of \$37,912 and fair value of shares and Finder Warrants issued in payment of finder's fees respectively of \$15,584 and \$7,218.

In the absence of a trading history of the Company's shares, the expected volatility used in the valuation of warrants and Finder Warrants described above is based on the historical volatility of similar listed companies for comparable periods. No special features inherent to the warrants granted were incorporated into measurement of fair value.

Escrowed Shares

As required by applicable securities commissions and those of the TSX, and under an agreement entered with a transfer agent from Computershare Investor Services Inc., a total of 9,513,928 common shares have been placed in escrow and deposited with a trustee under escrow agreements before the completion of the Qualifying Transaction. On August 18, 2016, following the completion of the Qualifying Transaction, 10% of the escrowed shares were released. The balances of restricted shares will be released at a rate of 15% in each of the anniversaries of 6, 12, 18, 24, 30 and 36 months following the initial release. As at September 30, 2017, there were 5,708,357 escrowed shares (7,135,466 as at March 31, 2017).

Warrants

The following table shows the changes in warrants:

	September 30, 2017		March 31, 2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	6,783,874	0.13	-	-
Issued	-	-	6,783,874	0.13
Outstanding, end of period	<u>6,783,874</u>	<u>0.13</u>	<u>6,783,874</u>	<u>0.13</u>

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At September 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 7. SHARE CAPITAL (Continued)

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

Expiration date	Exercise price	Number of warrants outstanding
	\$	
February 18, 2018	0.12	5,152,200
February 18, 2018	0.15	1,631,674
		6,783,874

NOTE 8. SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan dated August 12, 2016 in accordance with the policies of the TSX (the "Stock Option Plan") pursuant to which it has granted options to purchase common shares to directors, officers and technical consultants. The options will be exercisable at the price set by the Company's board of directors and for a period of up to ten years from the date of grant, provided that the number of common shares reserved for issuance under the Share Option Plan does not exceed ten percent (10%) of the issued and outstanding common shares of the Company on the date of grant, provided that the option exercise price is not to be lower than permitted under the policies of the TSX.

The following table shows the changes in stock options:

	September 30, 2017		March 31, 2017	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	1,650,000	0.32	350,000	0.20
Granted	-	-	1,300,000	0.12
Outstanding, end of period	1,650,000	0.32	1,650,000	0.32

The number of outstanding stock options that could be exercised for an equal number of common shares is as follows:

	September 30, 2017			March 31, 2017	
Expiry date	Exercise price	Number outstanding	Number exercisable	Number outstanding	Number exercisable
	\$				
November 2, 2018	0.12	1,300,000	1,300,000	1,300,000	1,300,000
November 16, 2020	0.20	350,000	350,000	350,000	350,000
		1,650,000	1,650,000	1,650,000	1,650,000

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At September 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 8. SHARE-BASED PAYMENTS (Continued)

The fair value of stock options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	March 31, 2017
	\$
Weighted average price at the grant date	0.12 \$
Weighted average exercise price	0.12 \$
Expected dividend	- \$
Expected average volatility	100%
Risk-free average interest rate	0.54%
Expected average life	2 years
Weighted fair value per stock option	0.06 \$

In the absence of a trading history of the Company's shares, the expected volatility used in the valuation of stock options is based on the historical volatility of similar listed companies for comparable periods. No special features inherent to the stock options granted were incorporated into measurement of fair value.

NOTE 9. EXPENSES RELATED TO POTENTIAL QUALIFYING TRANSACTION

Total amount spent toward the identification and acquisition of a Qualifying Transaction is as follow:

	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (6 months)	September 30, 2016 (6 months)
			\$	\$
Legal fees	-	2,348	-	3,396
Regulatory and transfer agent fees	-	10,393	-	10,393
	-	12,741	-	13,789

NOTE 10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential common shares such as stock options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of stock options and warrants issued that could potentially dilute earnings (loss) per share in the future are given in Note 7 and 8.

Both the basic and diluted loss per share have been calculated using the loss attributable to owners of the Company as the numerator, i.e. no adjustment to the loss were necessary in either of the periods presented.

CLEGHORN MINERALS LTD.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

At September 30, 2017 and 2016 and March 31, 2017

(Unaudited - in Canadian dollars)

NOTE 10. LOSS PER SHARE (Continued)

Seed shares of 1,600,000 were excluded from weighted average number of shares outstanding calculated for the periods prior to September 30, 2016 because they were considered as contingently issuable share until the qualifying transaction occurs. Seed Shares are included in the calculation of the weighted average number of shares outstanding starting August 18, 2016 date of completion of the qualifying transaction.

The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and share options.

NOTE 11. ADDITIONAL CASH FLOWS INFORMATION

Additional disclosures regarding cash flows that did not result in a cash outflow:

	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (6 months)	September 30, 2016 (6 months)
			\$	\$
Accounts payable and accrued liabilities included in exploration and evaluation assets	(15,313)	-	1,376	-

NOTE 12. RELATED PARTY TRANSACTIONS

Transaction with key management

Key management includes members of the Board of Directors, as well as the president and the chief financial officer ("CFO"). There was no related party transactions during the six-month periods ended September 30, 2017 and 2016.

NOTE 13. COMMITMENTS

The Company entered into a consulting agreement with an indefinite term which will call for a monthly payment of \$2,500.