



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2018

(Unaudited, expressed in Canadian Dollars, unless otherwise noted)

Notice of no Auditor Review of Interim Financial Statements

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

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

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

REDZONE RESOURCES LTD.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited, expressed in Canadian dollars)

As at

	Note	October 31, 2018	April 30, 2018
		\$	\$
Assets			
Current			
Cash		887,894	1,545,257
Receivables		10,348	8,205
Prepaid expenses and advances		90,745	64,958
		988,987	1,618,420
Mineral property interests	5	5,531,969	5,578,962
		6,520,956	7,197,382
Liabilities			
Current			
Accounts payable and accrued liabilities	7	92,654	127,074
Equity			
Share capital	6	10,575,149	10,550,585
Contributed surplus	6	1,949,811	1,778,421
Accumulated other comprehensive income (loss)		28,747	66,867
Deficit		(8,528,203)	(7,743,527)
Equity attributable to shareholders		4,025,504	4,652,346
Non-controlling interest		2,402,798	2,417,962
		6,428,302	7,070,308
		6,520,956	7,197,382

On behalf of the Board:

"Alan Matthews"

Director

"Michael Murphy"

Director

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

REDZONE RESOURCES LTD.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss***(Unaudited, expressed in Canadian dollars)*

For the three and six months ended October 31,

	Note	Three months ended October 31,		Six months ended October 31,	
		2018	2017	2018	2017
		\$	\$	\$	\$
Business investigation costs		16,700	2,886	29,666	9,703
Consulting fees	7	2,040	5,920	5,313	13,360
Exploration costs	7	229,319	15,540	291,301	17,496
Investor relations		45,960	550	97,192	3,625
Management salaries and benefits		37,500	8,333	75,000	8,333
Office administration		57,445	29,858	100,966	53,060
Professional fees		30,843	21,871	48,230	38,801
Share-based payments		-	-	171,882	-
Shareholders' information		6,145	4,968	10,344	9,477
Loss from operations for the period		(425,952)	(89,926)	(829,894)	(153,855)
Interest income		4,499	1,841	9,662	3,162
Loss for the period		(421,453)	(88,085)	(820,232)	(150,693)
Other comprehensive income (OCI)					
Exchange differences on translating foreign operation	2	(102,232)	163,503	(69,311)	(328,945)
Total comprehensive income (loss) for the period		(523,685)	75,418	(889,543)	(479,638)
Loss for the period attributable to:					
Shareholders of the Company		(399,003)	(80,187)	(784,676)	(139,505)
Non-controlling interest (NCI)		(22,450)	(7,898)	(35,556)	(11,188)
		(421,453)	(88,085)	(820,232)	(150,693)
Comprehensive income (loss) for the period attributable to:					
Shareholders of the Company		(454,950)	9,739	(822,796)	(320,425)
Non-controlling interest (NCI)		(68,735)	65,679	(66,747)	(159,213)
		(523,685)	75,418	(889,543)	(479,638)
Loss per share					
Basic and diluted		(0.02)	(0.00)	(0.03)	(0.01)
Weighted average number of common shares outstanding					
Basic and diluted		25,719,539	15,631,284	25,700,652	15,128,967

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

REDZONE RESOURCES LTD.
Condensed Interim Consolidated Statements of Equity
(Unaudited, expressed in Canadian dollars)
For the six months ended October 31,

	Common Shares	Share Capital	Contributed Surplus	AOCI	Deficit	NCI	Total
	#	\$	\$	\$	\$	\$	\$
Balance, April 30, 2017	10,865,034	8,475,178	1,556,390	259,989	(7,072,109)	2,593,808	5,813,256
Shares issued pursuant to:							
Private placement	4,766,250	762,600	-	-	-	-	762,600
Share issuance costs	-	(18,138)	-	-	-	-	(18,138)
Warrant valuation	-	(47,663)	47,663	-	-	-	-
Contributions by NCI	-	-	-	-	-	23,953	23,953
Net loss for the period	-	-	-	-	(139,505)	(11,188)	(150,693)
OCI for the period	-	-	-	(180,920)	-	(148,025)	(328,945)
Balance, October 31, 2017	15,631,284	9,171,977	1,604,053	79,069	(7,211,614)	2,458,548	6,102,033
Shares issued pursuant to:							
Private placement	7,600,000	1,216,000	-	-	-	-	1,216,000
Warrant exercise	2,369,055	373,233	(3,250)	-	-	-	369,983
Share issuance costs	-	(113,345)	-	-	-	-	(113,345)
Broker units	-	(97,280)	97,280	-	-	-	-
Share-based payments	-	-	80,338	-	-	-	80,338
Contributions by NCI	-	-	-	-	-	32,206	32,206
Net loss for the period	-	-	-	-	(531,913)	(62,806)	(594,719)
OCI for the period	-	-	-	(12,202)	-	(9,986)	(22,188)
Balance, April 30, 2018	25,600,339	10,550,585	1,778,421	66,867	(7,743,527)	2,417,962	7,070,308
Shares issued pursuant to:							
Warrant exercise	19,200	3,564	(492)	-	-	-	3,072
Property acquisition	100,000	21,000	-	-	-	-	21,000
Share-based compensation	-	-	171,882	-	-	-	171,882
Contributions by NCI	-	-	-	-	-	51,583	51,583
Net loss for the period	-	-	-	-	(784,676)	(35,556)	(820,232)
OCI for the period	-	-	-	(38,120)	-	(31,191)	(69,311)
Balance, October 31, 2018	25,719,539	10,575,149	1,949,811	28,747	(8,528,203)	2,402,798	6,428,302

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

REDZONE RESOURCES LTD.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, expressed in Canadian dollars)
For the six months ended October 31,

	2018	2017
	\$	\$
Cash flows from operating activities		
Net loss for the period	(820,232)	(150,693)
Adjustments for:		
Interest income	(9,662)	(3,162)
Share-based payments	171,882	-
Changes in non-cash working capital items:		
Receivables	(2,143)	1,781
Prepaid expenses and advances	(25,787)	7,750
Accounts payable and accrued liabilities	(34,420)	(134,978)
Net cash used in operating activities	(720,362)	(279,302)
Cash flows from investing activities		
Interest received	9,662	3,162
Mineral property acquisition costs	-	(43,717)
Net cash from (used in) investing activities	9,662	(40,555)
Cash flows from financing activities		
Issuance of common shares	3,072	762,600
Share issuance costs	-	(18,138)
Contribution by non-controlling shareholder	51,583	23,953
Net cash from financing activities	54,655	768,415
Foreign exchange on cash	(1,318)	1,494
Change in cash for the period	(657,363)	450,052
Cash, beginning of period	1,545,257	224,689
Cash, end of period	887,894	674,741
Non-cash investing activities		
Shares issued for mineral property acquisition	21,000	-

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

REDZONE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in Canadian dollars)

For the three and six months ended October 31, 2018 and 2017

1. Nature of operations

The principal business activities of Redzone Resources Ltd. (the “Company”) include the acquisition and exploration of mineral properties. The Company’s corporate head office is located at Suite 880 – 580 Hornby Street, Vancouver, British Columbia, Canada. The Company’s common shares are listed on the TSX Venture Exchange under the symbol REZ.

2. Basis of presentation

These condensed interim consolidated financial statements for the three and six months ended October 31, 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s April 30, 2018 annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The condensed interim consolidated financial statements have been prepared under the historical cost convention.

These condensed interim consolidated financial statements were approved by the board of directors and authorized for issue on December 21, 2018.

The condensed interim consolidated financial statements include the results of the Company and its subsidiaries, including Arizona Lithium Resources, a newly incorporated and wholly-owned subsidiary of the Company. The functional currency of the parent company, Redzone Resources Ltd., is the Canadian dollar, the functional currency of the Company’s subsidiary Minas Dixon S.A is the Peruvian Nuevo Sol and the functional currency of the Company’s subsidiary Arizona Lithium Resources Ltd. is the US Dollar. The presentation currency of the Company is the Canadian dollar. The statement of financial position of each subsidiary is translated into Canadian dollars using the exchange rate at the statement of financial position date and the statement of operations is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation from the functional currency to the presentation currency are charged to other comprehensive income. During the three and six months ended October 31, 2018, the Company recorded a loss of \$102,232 and \$69,311, respectively, through other comprehensive income related to the translation of its foreign subsidiaries.

Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation

3. Adoption of new accounting standards and standards issued but not yet effective

IFRS 16 Leases

This standard replaces IAS 17 Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The mandatory effective date for the Company is for the annual period beginning on May 1, 2019. The Company has initially assessed that there will be no material reporting changes as a result of adoption this new standard.

IFRS 9, Financial Instruments

This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on May 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard did not have a material measurement or disclosure impact on the Company’s financial statements.

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

REDZONE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*For the three and six months ended October 31, 2018 and 2017

Recognition and Classification

The Company recognized a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at May 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on May 1, 2018.

Measurement**Financial assets at FVTOCI**

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition,

REDZONE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in Canadian dollars)

For the three and six months ended October 31, 2018 and 2017

the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

4. Critical accounting estimates and judgments

For full details on the critical accounting estimates and judgements affecting the Company, please refer to the Company's annual consolidated financial statements and notes for the year ended April 30, 2018.

5. Mineral property interests

Lara Property

On February 4, 2013, the Company completed the requirements of the Lara option agreement and acquired 55% of Minas Dixon, the registered owner of the Lara property. The Lara property is subject to a payment of \$500,000 to a past owner at the start of commercial production.

Fortner and Boyd Lithium Property (Lucky Mica Claim Group)

On August 2, 2016 the Company entered into a binding letter agreement (the "original Agreement") for the grant to the Company of an option to acquire up to a 100% interest in the Fortner and Boyd Lithium Property ("Lucky Mica Claim Group" or the "Property") located in north central Maricopa County, Arizona. A related party held a 50% interest in the Property at the time the original Agreement was negotiated. The Company could earn a 75% interest in the Property, subject to a 0.5% net smelter royalty ("NSR"), by making cash payments and share issuances over a two-year period. The Company could earn the remaining 25% interest, subject to a 0.667% NSR by making cash payments and share issuances over the ensuing two-year period.

On July 27, 2017 the Company entered into a new option agreement (the "Amended Agreement"). Under the terms of the Amended Agreement the Company could earn a 100% interest in the property, subject to a 0.667% NSR, by completing the following:

- Paying US \$7,500 on the date of execution of original Agreement (paid).
- Paying US \$10,000 within three business days of the approval date of the original Agreement (paid).
- Paying US \$30,000 on or prior to the earlier of i) 15 months following the date of the Amended Agreement or ii) the date of completion by the Company of an equity financing to raise aggregate gross proceeds of not less than \$500,000 (paid).
- The issuance and delivery of 300,000 common shares of the Company. (200,000 issued on September 29, 2016 and fair valued at \$28,000 and 100,000 issued on May 25, 2018 and fair valued at \$21,000.)

During the six months ended October 31, 2018 the Company fulfilled its obligations as per the Amended Agreement and exercised its option for 100% interest in the property.

The Company can acquire the NSR by making a one-time cash payment of US\$1,000,000.

REDZONE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*

For the three and six months ended October 31, 2018 and 2017

North West Leinster Lithium Property

On October 23, 2018 the Company entered into an option agreement (the “NWL Agreement”) to acquire up to a 90% interest in the North West Leinster Lithium Property (“NWL Property”) in the Republic of Ireland. Pursuant to the NWL Agreement the Company must make a cash payment of €10,000 and incur a minimum of €40,000 in due diligence exploration expenses by April 23, 2020.

Upon completion of the due diligence expenditures the Company can exercise three options to acquire up to a 90% interest in the NWL Property as follows:

- The Company can exercise the first option by making a payment of either €50,000 in cash or €5,000 in cash and €45,000 in shares of the Company, within 14 days of the end of the due diligence period. Upon making the payment the Company can acquire a 51% interest by incurring exploration expenditures of €1,000,000 by April 23, 2022.
- The Company can exercise the 2nd option by making a payment €200,000 in cash or €20,000 in cash and €180,000 in common shares of the Company. Upon making the payment the Company can acquire an additional 24% interest by incurring an additional €2,000,000 in exploration expenditures by April 23, 2025.
- Upon exercising the 2nd option the Company can earn an additional 15% interest by completing a preliminary economic assessment on the NWL Property and making a payment of €500,000 in cash or €50,000 in cash and €450,000 in common shares of the Company.

Mineral property interests at October 31, 2018 and April 30, 2018, and the changes for the periods then ended, are as follows:

	Lara	Lucky Mica Claim Group	Total
	\$	\$	\$
Balance, April 30, 2017	5,726,240	51,353	5,777,593
Acquisition costs per Amended Agreement	-	43,376	43,376
Additional staking costs		108,829	108,829
Foreign exchange on mineral property	(350,836)	-	(350,836)
Balance, April 30, 2018	5,375,404	203,558	5,578,962
Acquisition costs per Amended Agreement	-	21,000	21,000
Foreign exchange on mineral property	(67,993)	-	(67,993)
Balance, October 31, 2018	5,307,411	224,558	5,531,969

Exploration cost for the six months ended October 31, 2018 and 2017 are as follows:

	2018		2017	
	Lucky Mica	Lara	Lucky Mica	Lara
	\$	\$	\$	\$
Field work	132,730	8,902	2,000	9,771
Environmental and community	-	28,455	-	-
Geological	9,578	12,261	5,725	-
Mining title permit payments	99,375	-	-	-
Personnel	-	-	-	-
Total	241,683	49,618	7,725	9,771

REDZONE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*

For the three and six months ended October 31, 2018 and 2017

6. Share Capital**a) Authorized and issued**

Unlimited common shares, without par value – 25,719,539

Unlimited preferred shares, issuable in series – Nil

During the six months ended October 31, 2018 the Company received proceeds of \$3,072 pursuant to the exercise of 19,200 warrants.

On June 6, 2017 the Company closed a non-brokered private placement pursuant to which it issued 4,766,250 units at \$0.16 per unit for gross proceeds of \$762,600. Each unit consists of one common share of the Company and one-half share purchase warrant, with each whole share purchase warrant entitling the holder to acquire on additional common share at an exercise price of \$0.24, for a period of two years. The applied a residual attribution approach and allocated a value of \$47,663 to the warrants. The Company incurred share issuance costs of \$18,138 related to the private placement.

b) Stock options

The balance of options outstanding and exercisable as at October 31, 2018 and April 30, 2018 and the changes for the years then ended is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life (years)
Balance April 30, 2017	956,000	\$0.14	4.13
Granted	600,000	\$0.14	
Balance April 30, 2018	1,556,000	\$0.14	3.69
Granted	1,000,000	\$0.20	
Balance, October 31, 2018	2,556,000	\$0.16	3.73

At October 31, 2018 the Company had the following stock options outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of options outstanding and exercisable
October 13, 2020	\$0.10	1.95	272,000
April 4, 2021	\$0.10	2.43	234,000
August 9, 2021	\$0.20	2.78	150,000
February 24, 2022	\$0.18	3.32	300,000
November 30, 2022	\$0.14	4.08	600,000
May 30, 2023	\$0.20	4.58	1,000,000
	\$0.16	3.73	2,556,000

During the six months ended October 31, 2018 the Company granted 1,000,000 (October 31, 2017 – nil) stock options, vesting immediately, exercisable at \$0.20 and expiring on May 30, 2023. The fair value of the options granted is \$0.17 per option and the Company recorded share-based payments expense of \$171,882 (October 31, 2017 - \$nil) for the six months ended October 31, 2018. The fair value was determined using the Black-Scholes option pricing model using the following assumptions: Risk free rate – 2.11%; expected life – 5 years; expected volatility – 148%; expected forfeiture and dividends – nil.

Subsequent to October 31, 2018, the Company granted 15,000 stock options, vesting immediately, to a consultant. The options have an exercise price of \$0.09 per option and a 5-year life.

REDZONE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*

For the three and six months ended October 31, 2018 and 2017

c) Warrants

The balance of warrants outstanding at October 31, 2018 and April 30, 2018 and the changes for the periods then ended is as follows:

	Number of warrants	Exercise price	Weighted average remaining life (years)
Balance, April 30, 2017	5,599,888	\$0.15	4.17
Issued ¹	6,791,125	\$0.24	
Exercised	(2,369,055)	\$0.16	
Balance, April 30, 2018	10,021,958	\$0.20	2.05
Exercised	(19,200)	\$0.16	
Issued	9,600	\$0.24	
Balance, October 31, 2018	10,012,358	\$0.20	1.55

¹ 608,000 are broker warrants consisting of one common share of the Company and one-half common share purchase warrant.

At October 31, 2018 the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of warrants outstanding
June 6, 2019	\$0.24	0.60	2,220,625
December 28, 2019	\$0.24	1.16	3,809,600
December 28, 2019 ¹	\$0.16	1.16	588,800
June 29, 2021	\$0.15	2.66	3,393,333
	\$0.20	1.55	10,012,358

¹ Each warrant consists of one common share of the Company and one-half common share purchase warrant

7. Related Party Transactions

Compensation paid or payable to Directors, the Chief Executive Officer and the Chief Financial Officer, for services provided during the three and six months ended October 31, 2018 and 2017 was as follows:

	Three months ended October 31,		Six months ended October 31,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Management salaries and benefits	37,500	8,333	75,000	8,333
Business investigation	8,000	-	23,000	-
Consulting fees	2,040	5,920	5,313	12,480
Exploration expenses	-	405	-	405
Share-based payments	-	-	130,630	-
	47,540	14,658	233,943	21,218

Included in accounts payable and accrued liabilities at October 31, 2018 is \$4,520 (April 30, 2018 - \$21,990) due to a director of the Company. The amounts owing is non-interest bearing and due on demand.

REDZONE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited, expressed in Canadian dollars)*

For the three and six months ended October 31, 2018 and 2017

8. Segmented Information

The Company has one operating segment, which is mineral exploration and development. Geographic information related to the location of the Company's significant non-current assets as at October 31, 2018 and April 30, 2018 is as follows:

	October 31, 2018	April 30, 2018
	\$	\$
Mineral property interests		
USA	224,558	203,558
Peru	5,307,412	5,375,404
Total	5,531,970	5,578,962

9. Non-controlling interest

The Company owns a 55% controlling interest in Minas Dixon S.A; the remaining 45% is held by Lara Exploration and accounted for as a non-controlling interest. Financial information related to Minas Dixon S.A is as follows:

	October 31, 2018	April 30, 2018
	\$	\$
Current assets	13,285	31,635
Current liabilities	(1,144)	(54,484)
Total liabilities	(951,610)	(903,087)
Mineral property interests	5,307,413	5,375,404

	Three months ended October 31,		Six months ended October 31,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Loss for the period	(49,892)	(17,551)	(79,014)	(24,862)
Other comprehensive income (loss) for the period	(102,851)	163,503	(69,314)	(328,945)
Comprehensive income (loss) for the period	(152,743)	145,952	(148,328)	(353,807)
Cash flows for the period:				
Cash flows from (used in) operating activities	(49,870)	(37,869)	(132,354)	(103,805)
Cash flows from financing activities	39,978	47,878	115,327	88,115
Net increase (decrease) in cash	(9,892)	10,009	(17,027)	(15,690)
Cash, beginning of period	24,040	33,420	31,635	62,027
Effect of foreign exchange rates on cash	(863)	4,403	(1,323)	1,494
Cash, end of period	13,285	47,832	13,285	47,832

REDZONE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in Canadian dollars)

For the three and six months ended October 31, 2018 and 2017

10. Subsequent events

- On November 21, 2018 the Company entered into a purchase agreement to acquire a 100% interest in the Turks Nose and Popes Nose Claims (the “Nose Claims”) located near Wells, British Columbia Canada. Pursuant to the agreement the Company can acquire a 100% interest in the Nose Claims by completing the following requirements:
 - Make cash payments of \$10,000 (paid) and issue 150,000 common shares upon execution of the agreement,
 - Make a cash payment of \$20,000 and issue 200,000 common shares on November 21, 2019;
 - Make a cash payment of \$20,000 and issue 200,000 common shares on November 21, 2020;
 - Make a cash payment of \$25,000 and issue 250,000 common shares on November 21, 2021;
 - Make a cash payment of \$25,000 and issue 300,000 common shares on November 21, 2022.

There is a 2% royalty on all mineral commodities sold from the Nose Claims. The Company can purchase 1% of the royalty by making a cash payment of \$1,000,000 at any time.