



**JOURDAN RESOURCES INC.**

(An Exploration Stage Company)

**Interim Financial Statements**

**For the Nine Months Ended**

**September 30, 2017**

(Stated in Canadian Dollars)

**Responsibility for Financial Statements**

The accompanying financial statements for Jourdan Resources Inc. have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") consistently applied. Only changes in accounting policies have been disclosed in these unaudited consolidated interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited consolidated interim financial statements for the period ended September 30, 2017.

JOURDAN RESOURCES INC.  
Statements of Financial Position

		As at September 30 2017	Audited As at December 31 2016
		\$	\$
<b>Assets</b>			
Current			
Cash		109,530	67,296
Marketable securities	5	5,750	67,500
Taxes receivable	4	99,816	37,261
Other receivable	4	7,536	-
		222,632	172,057
Exploration and evaluation assets	5, 7	1,784,928	897,928
<b>Total Assets</b>		<b>2,007,560</b>	<b>1,069,985</b>
<b>Liabilities</b>			
Current			
Trade and other payables	7	278,026	571,680
Due to a related company		-	64,630
Other liabilities	11	428,726	490,623
		706,752	1,126,933
<b>Shareholders' Equity</b>			
Share capital	9(a)	16,896,261	15,012,702
Warrants	9(b)	258,950	-
Contributed surplus	9(c), (d)	2,407,340	2,304,008
Prior year adjustment		-	(148,012)
Deficit		(18,261,743)	(17,225,646)
<b>Total Shareholders' Equity</b>		<b>1,300,808</b>	<b>(56,948)</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>2,007,560</b>	<b>1,069,985</b>
Nature of operations and going concern	1		-

**Approved by the Board on November 29, 2017**

Signed: "Michael Dehn" - President & CEO

Signed: "John A. Ryan" - CFO

**JOURDAN RESOURCES INC.**  
**Statement of Changes in Equity**  
**September 30, 2017 and September 30, 2016**

	Number of Shares	Share Capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total Equity \$
<b>Balance, January 1, 2017</b>	7,742,581	15,012,702	-	2,304,008	(17,373,658)	(56,948)
Shares issued from private placement April 2017	16,100,000	1,207,500	-	-	-	1,207,500
Private placement - share issue costs	-	(68,504)	-	-	-	(68,504)
Black scholes from private placement	-	(233,450)	233,450	-	-	-
Black scholes from private placement finder's fee	-	(25,500)	25,500	-	-	-
Shares issued to acquire properties	5,700,000	712,000	-	-	-	712,000
Shares issued for debt	5,860,863	439,526	-	-	-	439,526
Stock options granted	-	-	-	103,332	-	103,332
Adjustment prior year	-	(148,012)	-	-	148,012	-
Loss and comprehensive loss	-	-	-	-	(1,036,097)	(1,036,097)
<b>Balance, September 30, 2017</b>	35,403,444	16,896,261	258,950	2,407,340	(18,261,743)	1,300,808
<b>Balance, January 1, 2016</b>	7,742,591	15,012,702	51,770	2,252,238	(17,149,033)	167,677
Income and comprehensive Income	-	-	-	-	1,671	1,671
<b>Balance, September 30, 2016</b>	7,742,591	15,012,702	51,770	2,252,238	(17,147,362)	169,348

The Company did not have any Accumulated Other Comprehensive Income/Loss during the year.

JOURDAN RESOURCES INC.  
Statements of Loss and Comprehensive Loss

	Three Months Ended		Nine Months Ended	
	September 30 2017	September 30 2016	September 30 2017	September 30 2016
	\$	\$	\$	\$
<b>Expenses</b>				
Exploration and evaluation expenses	54,177	-	323,686	-
Management fees	36,000	39,500	108,000	54,500
Rent	5,550	5,550	16,650	16,650
Listing and filing fees	3,800	4,915	14,176	6,165
Professional fees	49,927	-	300,762	17,500
Shareholder relations	74,035	-	102,386	-
Office expenses	2,896	80	5,355	2,369
Stock based compensation	77,499	-	103,332	-
Consulting fees	-	8,012	-	11,756
Gain on disposal of exploration assets	-	-	-	(120,817)
Impairment of exploration and evaluation assets	-	-	-	67,706
	303,884	58,057	974,347	55,829
<b>Net operating loss before other income</b>	303,884	58,057	974,347	55,829
Marketable securities - fair value adjustment	6,500	-	61,750	(57,500)
<b>Net loss and comprehensive loss (income)</b>	310,384	58,057	1,036,097	(1,671)
<b>Net loss per share</b>	0.009	0.007	0.045	(0.000)
<b>Weighted average outstanding shares</b>	34,316,487	7,742,581	22,909,101	7,742,581

*The accompanying notes are an integral part of these financial statements*

JOURDAN RESOURCES INC.  
Statements of Cash Flow  
For the Nine Months Ended September 30

	2017	2016
	\$	\$
<b>Operating activities</b>		
<b>Net loss for the period</b>	(1,036,097)	(55,829)
<b>Add back / Deduct non cash expenses</b>		
Impairment of exploration and evaluation assets	-	67,706
Marketable securities - fair value adjustment	61,750	57,500
<b>Total Non Cash Expenses</b>	61,750	125,206
Changes in non-cash balances		
GST/HST receivable	62,555	5,831
Other receivable	7,536	-
Marketable securities	8,044	(180,000)
Accounts payable and accrued liabilities	(355,551)	(35,548)
<b>Changes in Operating Activities</b>	(277,416)	(209,717)
<b>Total cash generated from (used in) Operating Activities</b>	(1,251,763)	(140,340)
<b>Investing activities</b>		
Purchase of mining property	155,000	179,813
<b>Total cash generated from investing activities</b>	155,000	179,813
<b>Financing activities</b>		
Proceeds from issuance of shares in private placements	1,207,500	-
Share issue costs	(68,504)	-
<b>Total cash (used in) provided by financing activities</b>	1,138,996	-
(Decrease) increase in cash	42,233	39,473
Cash at the beginning of the period	67,297	4,948
Cash at the end of the period	109,530	44,421

*The accompanying notes are an integral part of these financial statements*

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

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

---

Jourdan Resources Inc. (the "Company"), specializes in the acquisition, exploration and development of mining properties in phosphate, lithium and other minerals, primarily in Canada. The Company is incorporated under the *Canada Business Corporations Act*. The address of the Company's registered office is 600 Orwell Street, Unit 14, Mississauga, Ontario, Canada.

These interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from September 30, 2017. At September 30, 2017, the Company has an accumulated deficit of \$18,261,743 (December 31, 2016 - \$17,225,646) and has a working capital deficiency of \$484,120 (December 31, 2016 – working capital deficiency \$954,876). The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to other exploration stage companies. As a result of these risks, a material uncertainty exists that casts significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these Interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

**2. Summary of significant accounting policies**

---

Statement of compliance

These Interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of Interim financial statements, including International Accounting Standard ("IAS") 34 - Interim Financial Reporting. The accounting policies followed in these Interim financial statements are the same as those applied in the audited annual financial statements of the Company for the year ended December 31, 2016 ("Fiscal 2016").

The policies applied in these Interim financial statements are based on IFRS issued and outstanding as of November 29, 2017, the date the Audit Committee approved the statements.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income taxes. Differences may be material.

The Company operates in one segment defined as the cash generating unit ("CGU") which is North America. These financial statements were authorized for issue by the Board of Directors on November 29, 2017.

Basis of presentation

The Interim financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments designated at FVTPL, which are measured at fair value. The comparative figures presented in these financial statements are in accordance with IFRS.

Basis of measurement

These Interim financial statements have been prepared on the historical cost basis. In addition, these Interim financial statements have been prepared using the accrual basis of accounting.

Foreign currency translation

The functional currency, as determined by management, of Sokoman Iron Corp. is the Canadian dollar. For the purpose of the financial statements, the results and financial position are presented in Canadian dollars.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**2. Summary of significant accounting policies (Continued)**

---

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the Statements of Loss and Comprehensive Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

All financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

- a) Financial assets and liabilities at fair value through profit or loss ("FVTPL"): A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the Statements of Loss and Comprehensive Loss. Gains and losses arising from changes in fair value are presented in the Statements of Loss and Comprehensive Loss within other gains and losses in the period in which they arise.

Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the reporting date, which is classified as non-current.

- b) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive loss. Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive loss to the Statements of Loss and Comprehensive Loss and are included in other gains and losses.
- c) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.
- d) Other financial liabilities: Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are derecognized when the obligations are discharged, cancelled or expired.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**2. Summary of significant accounting policies (Continued)**

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	FVTPL
GST/HST receivable, other receivables	Loans and receivables
Investment in securities	FVTPL
Financial liabilities:	Classification:
Trade and other payables	Other financial liabilities

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, cash held in a financial institution or investments having a maturity of ninety days or less at acquisition, that are readily convertible to the contracted amounts of cash. Cash and equivalents are classified as FVTPL and measured at fair value.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

- a) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.
- b) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of comprehensive loss. This amount represents the cumulative loss in accumulated other comprehensive loss that is reclassified to net loss.
- c) Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Farm-out

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral property interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral property interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company has no material provisions at September 30, 2017 or December 31, 2016.

Decommissioning or restoration provision

The Company records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**2. Summary of significant accounting policies (Continued)**

---

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life, and records the accretion of the liability as a charge to the Statements of Loss and Comprehensive Loss.

As the Company has not commenced construction and development of any mining operations, it does not have any provisions for decommissioning or restoration costs.

Impairment of non-financial asset

At each reporting date of the statements of financial position, the Company reviews the carrying amounts of its indefinite tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. Definite life assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statements of Loss and Comprehensive Loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the flow-through subscribers at an agreed upon date.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a liability on the Statements of Financial Position. The subsequent renunciation of such qualifying expenditures incurred by the Company in favor of the flow-through subscribers is reported as a reduction in the 'deferred premium on flow-through shares' liability on the Statements of Financial Position and a corresponding reduction in deferred tax expense on the Statements of Loss and Comprehensive Loss.

Share based compensation transactions

Stock options

The fair value of stock options granted to directors, officers, and employees is measured at grant date using the Black-Scholes valuation model using assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares, expected forfeitures and expected life of the options. The fair value of this share-based payment is recognized as a charge to the Statements of Loss and Comprehensive Loss with a corresponding credit to shareholders' equity on the Statements of Financial Position.

The fair value of stock options, subject to a vesting schedule, is recognized using the accelerated method and is measured using Black Scholes and assumptions at the time of vesting. The applicable fair values of any stock options which are exercised are transferred from contributed surplus to capital stock. Management is required to estimate forfeitures, and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**2. Summary of significant accounting policies (Continued)**

---

Share-based payments to non-employees

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the Company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the underlying equity instrument, measured at the date the Company obtains the goods or the counterparty renders the service. Management is required to estimate forfeitures, and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

Loss per common share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, including contingently issuable shares which are included when the conditions necessary for the issuance have been met. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. In periods where the Company reports a loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and therefore basic and diluted loss per share are the same.

Segment disclosures

The Company operates in North America in the acquisition and exploration of mineral properties.

Income taxes

Income taxes are calculated using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for timing differences between the tax and accounting basis of assets and liabilities, and for the recognition of accumulated capital and non-capital losses, which in the opinion of management, are more likely than not to be realized before expiry.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be in effect in the period when the asset is expected to be realized or the liability is expected to be settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period and are disclosed as non-current. The effect on deferred income tax assets and liabilities resulting from a change in enacted tax rates is included in income in the year in which the change is enacted or substantively enacted.

Revenue recognition

Rental income from property and/or equipment is allocated to income, when collection is reasonably assured, on the first date of rental and monthly thereafter until termination. Income from the option of exploration properties is recognized when received. Investment income from marketable securities is recognized when received.

Comprehensive income

Comprehensive income is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a year except those resulting from investments by owners and distributions to owners. Comprehensive income is comprised of net income for the period and other comprehensive income. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in "other comprehensive income" until it is considered appropriate to recognize into net earnings.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss, nor has the Company accumulated other comprehensive income during the periods that have been presented.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss and Deficit, nor has the Company accumulated other comprehensive income during the periods that have been presented.

Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or is a member of the key management personnel of the reporting entity. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between said parties. Such transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**2. Summary of significant accounting policies (Continued)**

---

Significant judgments in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the Interim Financial Statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the Interim Financial Statements. Areas of significant judgment and estimates affecting the amounts recognized in the unaudited Interim condensed financial statements include:

a) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. 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 the Statements of Loss and Comprehensive Loss in the period when the new information becomes available. The carrying value of these assets is detailed in Note 6.

b) Valuation of share-based payments

The Company records all share based payments and warrants using the fair value method. The Company uses the Black-Scholes model to determine the fair value of stock options, warrants and broker warrants. The main factor affecting the estimates of the fair value of stock options, warrants, broker warrants and compensation options is the stock price expected volatility used. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

c) The estimated useful lives and residual values of equipment and the measurement of depreciation expense

Management estimates the useful lives of equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's equipment in the future.

Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analyzed between capital and interest. The interest element is charged to the Statements of Loss and Comprehensive Loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the Statements of Loss and Comprehensive Loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognized as a reduction of the rental expense over the lease term on a straight-line basis.

Government grants

The Company makes periodic applications for financial assistance under available government incentive programs and tax credits related to the mineral property expenditures. The Company recognizes government assistance on an accrual basis when all requirements to earn the assistance have been completed and receipt is reasonably assured. Government grants are recognized on the balance sheet under tax credits recoverable and accrued as a reduction of mineral exploration expenses. Government grants relating to mineral expenditures are reflected as a reduction of the cost of the property or as a reduction to exploration expenses. Government grants relating to operating expenses are reflected as a reduction of the expense.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**2. Summary of significant accounting policies (Continued)**

---

Future accounting changes

The following has not yet been adopted and are being evaluated to determine its impact on the Company.

(i) IFRS 9 – Financial instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(ii) IFRS 16 – Leases (“IFRS 16”) was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019.

(iii) IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”) was issued in May 2014 when the IASB and the Financial Accounting Standards Board (“FASB”) completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and US GAAP. As a result of the joint project, the IASB issued IFRS15 to establish principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

**3. Capital and financial risk management**

---

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company’s ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company’s approach to capital management during the period ended September 30, 2017 and, accordingly, the approach of the current year is consistent with that of the prior fiscal year.

The Company’s capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Company manages capital in proportion to risk and manages the exploration and evaluation assets and capital structure based on economic conditions and prevailing gold commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

Fair value

The carrying values for primary financial instruments, including cash, accounts receivables, and accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Company’s exposure to potential loss from financial instruments relates primarily to its cash held with Canadian financial institutions.

The fair value of financial instruments that are measured subsequent to initial recognition at their fair value, is measured within a ‘fair value hierarchy’ which has the following levels:

- i. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities and
- ii. Level 2: valuation techniques using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- iii. Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company’s cash is considered Level 1.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**3. Capital and financial risk management (Continued)**

---

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the year. The objectives and strategy for the exploration and evaluation asset portfolio remains unchanged.

The Company's exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's exposure to credit risk is concentrated in two specific areas: the credit risk on operating balances including receivables, primarily comprised of HST receivable and security deposit, and Cash held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at September 30, 2017 was \$216,882 (December 31, 2016 - \$104,557), and was comprised of \$107,352 (December 31, 2016 - \$37,261) in taxes and other receivables, and \$109,530 (December 31, 2016 - \$67,296) in Cash held with Canadian financial institutions with an "AA" credit rating.

Property risk

The Company's projects are in the province of Quebec, Canada. Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon these properties.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has operations in United States ("US") dollars. The Company has no US dollar hedging program due to its exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Commodity Price Risk

Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**3. Capital and financial risk management (Continued)**

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Company maintains principally all its assets in cash and equivalents.

Sensitivity Analysis

The Company believes that the +/- 10% movements in investments FVTPL that are reasonably possible over the next twelve-month period will not have a significant impact on the Company. The Company believes that its cash position and short term investments provide adequate liquidity to meet all of the Company's near-term obligations.

**4. Taxes and other receivables**

The Company's receivables arise from Harmonized Sales Tax ("HST") receivable due from Canadian government taxation authorities Government grants and other receivable. These are broken down as follows:

	30-Sep-17	31-Dec-16
	\$	\$
Taxes receivable	99,816	37,261
Other receivables	7,535	-

**5. Marketable securities**

At September 30, 2017 and December 31, 2016, the Company held marketable securities as follows:

<b>September 30, 2017</b>	Number of Shares	Cost	Fair Value
		\$	\$
Satori Resources Inc.	50,000	15,000	5,750
Aurtois Exploration Inc.	312,000	50,000	-
		65,000	<b>5,750</b>
<b>December 31, 2016</b>	Number of Shares	Cost	Fair Value
		\$	\$
Satori Resources Inc.	50,000	15,000	67,500
Aurtois Exploration Inc.	312,000	50,000	-
		65,000	<b>67,500</b>

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**6. Exploration and evaluation assets**

Exploration and evaluation expenditures incurred on exploration properties are not capitalized until such time that a future economic benefit is more likely to be realized by the establishment of ore resources.

	Acquisition Costs		
	Opening		Closing
	January 1, 2017	Additions	September 30, 2017
	\$	\$	\$
Baillarge Moly-lithium	118,976	-	118,976
Valle Lithium	778,952	-	778,952
Rome Lithium	-	25,000	25,000
Pressiac Lacorne Lithium	-	192,000	192,000
Lacorne Lithium	-	20,000	20,000
Baillarge North	-	650,000	650,000
	897,928	887,000	1,784,928

**Baillarge North**

On August 24, 2017, the Company acquired 10320781 Canada Inc. ("10320781"), which owned a 100% interest in the Baillargé North property (the "Property"), subject to a 1% net smelter return. Jourdan paid \$50,000 in cash and issued an aggregate of 5,000,000 common shares ("Acquisition Shares") on August 21, 2017 in exchange for all of the outstanding shares of 10320781.

**Rome Lithium**

On June 29, 2017, the Company and Fairmont Resources Inc. (TSX-V: FMR) ("Fairmont") entered into a non-arms-length assignment agreement entitling Jourdan to acquire a 100% interest in the Rome Lithium property ("the property"), subject to a 2% production royalty, of which half (1%) can be bought back for \$1,000,000 at any time. In consideration of the acquisition of the interest in the property.

Jourdan will:

- (i) Make \$50,000 cash payment, \$25,000 (paid),
- (ii) Issue 1,500,000 common shares of Jourdan,
- (iii) Grant 2% net smelter return ("NSR") on the property, of which half (1%) may be bought back for \$1,000,000 at any time, and
- (iv) The completion of exploration expenditures on the property to totaling \$150,000 on or before June 10, 2019 (the "Option").

**Pressiac Lacorne Lithium Portfolio**

On May 9, 2017, the Company entered into an option agreement with Alix resources Inc. (TSX-V: AIX) ("Alix") to acquire up to 75% interest in Alix's 145 claim Preissac-Lacorne lithium portfolio (the "Alix option"), and two acquisition agreements with prospectors to acquire 100% interest in two claims in close proximity to the Quebec Lithium Mine (the "GiGi Claims"), and two additional claims (the "JF Claims"), one of which holds the mineral rights below the Quebec Lithium Mine's mill (the "Quebec Lithium Acquisitions" and with the Alix Option, collectively the "Transactions").

**Vallee, Lacorne and Baillarge**

The Valley project, which is in the Val-d'Or region of Northern Quebec, consists of 17 claims (703.8 hectares or 7.2 Km<sup>2</sup>) in Lacorne and Fieldmont townships.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**6. Exploration and evaluation assets (Continued)**

The Baillarge Lithium Project consists of 12 claims (511.5 hectares or 5.1 km<sup>2</sup>) in Lacorne Township (covering Ranges II and III, Lots 5 to 11).

**7. Mineral exploration expenses**

A summary of exploration expenditures incurred for the period ended September 30, 2017 is as follows:

	Baillarge Lithium	Pressiac Lacorne	Vallee	Jan 2017 to September 2017 Total
	\$	\$	\$	\$
Field Office Expenses	-	49,663	20,088	69,751
Geo Services	6,059	78,526	20,138	104,723
Drilling	-	94,882	-	94,882
Assays	153	-	54,177	54,330
	6,212	223,071	94,403	323,686

**8. Trade and other payables**

Trade and other payables are made up of ordinary trade payables owing to various vendors and accrued liabilities are for legal and accounting fees. Details of respective balances as at September 30, 2017, are as follows:

	September 30, 2017	December 30, 2016
	\$	\$
Trade payables	257,776	633,577
Accrued liabilities	20,250	-
Total	278,026	633,577

**9. Equity capital and reserve**

**(a) Share capital**

The authorized capital of the Company consists of an unlimited number of common shares.

	<u>Number of Shares</u>	<u>Amount</u>
<b>Balance, January 1, 2017</b>	7,742,581	\$15,012,702
Shares issued from private placement – April 2017	16,100,000	1,207,500
Share issue costs	-	(68,504)
Black Scholes - private placement	-	(233,450)
Black Scholes – finder's fee	-	(25,500)
Shares issued to acquire exploration properties	5,700,000	712,000
Shares issued for debt	5,860,863	439,526
Adjustment prior year	-	(148,012)
<b>Balance, September 30, 2017</b>	<b>35,403,444</b>	<b>\$16,896,261</b>

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**9. Equity capital and reserve (Continued)**

**On April 11, 2017**, the company closed its non-brokered private placement by issuing an aggregate of 16,100,000 units at a price of \$0.075 per unit for gross proceeds of \$1,207,500. The company paid arm's length finders an aggregate amount of \$68,503.99 and issued an aggregate of 813,387 non-transferable finder warrants. Each Unit comprised of one (1) common share in the capital of the Company (a "Common Share") and one half of one (1) Common Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to purchase one (1) Common Share at an exercise price of \$0.10 per share until April 10, 2018 (the "Warrant Expiry Date").

**On April 28, 2017**, the Company issued 5,860,853 common shares at a deemed price of \$0.075 per common share in settlement of outstanding debt of \$439,565.

**On May 16, 2017**, the Company announced that it acquired 100% interest in the Gigi and JF claims located near the Quebec Lithium Mine, making a \$30,000 cash payment (paid) and issue of 100,000 common shares (shares issued at a deemed value of \$16,000).

The Company also acquired a 75% interest in Alix Resources Inc.'s Preissac-Lacorne Lithium portfolio by making a \$50,000 cash payment (paid) and issue 600,000 common shares (shares issued at deemed value of \$96,000).

**On August 21, 2017**, the Company completed the acquisition of 10320781 Canada Inc. which owns a 100% legal interest in the Baillargé North property (the "Property"), subject to a 1% net smelter return. The Company paid \$50,000 in cash and issued an aggregate of 5,000,000 common shares in exchange for all of the outstanding shares of 10320781 Canada Inc.

**(b) Share purchase warrants**

Details of share purchase warrant transactions for the period ended September 30, 2017 is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
<b>Balance, January 1, 2017</b>	-	-
Warrants issued from private placement – April 2017	8,050,000	0.10
Finder warrants from private placement	813,387	0.10
<b>Balance, September 30, 2017</b>	<b>8,863,387</b>	<b>0.10</b>

Details of the warrants outstanding at September 30, 2017 are as follows:

Number of warrants	Fair value at grant date	Exercise Price	Expiry Date
	\$	\$	
8,050,000	233,450	0.10	April 10, 218
813,387	25,500	0.10	April 10, 2018
<b>8,863,387</b>	<b>258,950</b>	<b>0.10</b>	

**(c) Stock options**

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase Common

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**9. Equity capital and reserve (Continued)**

Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to five (5) years.

On May 31, 2017, the Company granted 2,500,000 stock options to purchase common shares in the capital of the Company to certain consultants, directors and officers of the Company. The options are exercisable at a price of \$0.17 per common share for a term of 5 years, until May 31, 2022.

Details of the stock options outstanding at September 30, 2017 are as follows:

	Number of options	Exercise price	Remaining life
		\$	
<b>Balance, January 1, 2017</b>	220,000	0.90	4.18
Options granted	2,500,000	0.17	4.75
	-	-	-
<b>Balance, September 30, 2017</b>	2,720,000		

**(d) Black-Scholes Valuation**

The fair values of the warrants and options were estimated on the issuance date using the Black-Scholes option pricing model, with the following weighted average assumptions:

	2017	2016
Expected dividend yield	Nil	Nil
Risk-free interest rate	1.10% - 1.23%	1.10% - 1.17%
Expected life	5 years	18 months - 2 years
Expected volatility	130% - 161%	106% - 154%

**(e) Contributed Surplus**

<b>Balance, January 1, 2017</b>	\$2,095,424
Stock options granted	311,916
<b>Balance, September 30, 2017</b>	<b>\$2,407,340</b>

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2017**

**10. Related party transactions**

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company paid or accrued the following amounts to related parties during the period ended September 30, 2017 and 2016:

Transactions		Outstanding Balances		Description of Relationship to Company	Nature of Transaction
30-Sep-17 \$	30-Sep-16 \$	30-Sep-17 \$	30-Sep-16 \$		
4,200	15,687	4,200	15,687	An officer	Business expenses
83,100	310,542	166,200	310,542	Company controlled by an officer	Management fees
10,520	-	-	-	A director	Legal Fees
5,000	-	2,825	-	Company controlled by an officer	Accounting fees
102,820	326,229	173,225	326,229		

On April 28, 2017, the Company issued 5,860,853 common shares at a deemed price of \$0.075 per common share in settlement of outstanding debt of \$439,565. Michael Dehn, President and CEO and Director of the Company, and Glen Wylie, a former CFO of the Company, at the time that transactions were completed, participated directly and indirectly through Avanti Wealth Management & Consulting Limited ("Avanti") in the shares for debt transactions as to respectively an aggregate of 279,423 common shares for Mr. Dehn, 21,897 common shares for Mr. Wylie and 2,475,146 common shares for Avanti for aggregate debt settlement of \$208,235.

**11. Contingent liability**

As at December 31, 2015, the amount of flow-through proceeds to be expended was not met by the Company and this may result in a liability to its shareholders. Per review of the subscription agreements, expenditures were not spent in accordance with the agreement, and hence management has set up a liability of \$333,550 based upon their best estimates of the amount the shareholder could be reassessed by tax agencies due to the fact that Jourdan did not spend the required amount per the flow through share agreement. The Company determined that additional penalties and interest were payable of \$95,176. This balance is still accrued as at September 30, 2017.