



**JOURDAN RESOURCES INC.**

(An Exploration Stage Company)

**Interim Financial Statements**

**For the three and nine Months**

**Ended September 30, 2018**

(Stated in Canadian Dollars)

**Responsibility for Financial Statements**

The accompanying interim 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 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 interim financial statements for the period ended September 30, 2018.

JOURDAN RESOURCES INC.  
Statements of Financial Position

		Audited	
		As at September 30 2018	As at December 31 2017
		\$	\$
<b>Assets</b>			
Current			
Cash		1,053,568	93,228
Taxes and other receivable	3, 4	207,519	117,871
Marketable securities	5	2,750	4,500
		1,263,837	215,599
Exploration and evaluation assets		1,868,515	1,759,928
<b>Total Assets</b>		<b>3,132,352</b>	<b>1,975,527</b>
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities	7	622,236	419,363
Other liabilities	10	433,345	433,345
		1,055,581	852,708
<b>Shareholders' Equity</b>			
Share capital	8(a)	18,137,316	16,846,262
Warrants	8(b)	261,900	258,950
Contributed surplus	8(c)(d)	2,935,455	2,484,839
Deficit		(19,257,900)	(18,467,232)
<b>Total Shareholders' Equity</b>		<b>2,076,771</b>	<b>1,122,819</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>3,132,352</b>	<b>1,975,527</b>
Nature of operations and going concern	1		

**Approved by the Board of Directors on November 29, 2018**

Signed: "Fred Leigh"  
Chief Executive Officer

Signed "John Ryan"  
Chief Financial Officer

JOURDAN RESOURCES INC.  
**Statement of Changes in Equity**  
**September 30, 2018 and September 30, 2017**

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Warrants</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
		\$	\$	\$	\$	\$
<b>Balance, December 31, 2017</b>	35,403,444	16,846,262	258,950	2,484,839	(18,467,232)	1,122,819
Private placement NFT - June 2018	12,313,332	738,800	-	-	-	738,800
Black Scholes NFT warrants	-	(162,928)	162,928	-	-	-
Private placement FT - June 2018	8,870,000	665,250	-	-	-	665,250
Black Scholes FT warrants	-	(94,072)	94,072	-	-	-
Share issue costs	-	(15,562)	-	-	-	(15,562)
Private placement FT - August 2018	466,667	35,000	-	-	-	35,000
Black Scholes FT warrants	-	(4,900)	4,900	-	-	-
Warrants exercised	319,668	31,966	(9,270)	9,270	-	31,966
Warrants expired	-	-	(249,680)	249,680	-	-
Stock option compensation expense	-	-	-	191,666	-	191,666
Shares issued to acquire property	1,500,000	97,500	-	-	-	97,500
Loss and comprehensive loss	-	-	-	-	(790,668)	(790,668)
<b>Balance, September 30, 2018</b>	<b>58,873,111</b>	<b>18,137,316</b>	<b>261,900</b>	<b>2,935,455</b>	<b>(19,257,900)</b>	<b>2,076,771</b>
<b>Balance, December 31, 2016</b>	7,742,581	15,012,702	-	2,304,008	(17,373,658)	(56,948)
Private placement - April 2017	16,100,000	1,207,500	-	-	-	1,207,500
Share issue costs	-	(68,504)	-	-	-	(68,504)
Black scholes private placement warrants	-	(233,450)	233,450	-	-	-
Black scholes private placement finders fee	-	(25,500)	25,500	-	-	-
Shares issued to acquire property	5,700,000	712,000	-	-	-	712,000
Shares issued for debt	5,860,863	439,526	-	-	-	439,526
Stock based compensation	-	-	-	103,332	-	103,332
Adjustment of finder's fee in deficit	-	(148,012)	-	-	148,012	-
Loss and comprehensive loss	-	-	-	-	(1,036,097)	(1,036,097)
<b>Balance, September 30, 2017</b>	<b>35,403,444</b>	<b>16,896,262</b>	<b>258,950</b>	<b>2,407,340</b>	<b>(18,261,743)</b>	<b>1,300,809</b>

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

JOURDAN RESOURCES INC.  
Statements of Loss and Comprehensive Loss

For the three and nine months ended	Three months ended		Nine months ended	
	September 30	September 30	September 30	September 30
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Expenses</b>				
Accounting fees	2,000	4,000	8,000	21,947
Management fees	36,000	36,000	108,000	108,000
Rent and other expenses	1,394	8,109	14,800	21,309
Trustees, registration fees and shareholder relations	4,256	77,836	23,365	116,562
Professional fees	11,500	45,927	27,961	278,815
Stock option compensation	27,501	77,499	191,666	103,332
Exploration expenses	309,193	54,177	414,718	323,686
Interest and bank charges	129	336	408	696
	391,973	303,884	788,918	974,347
<b>Net operating loss before other income</b>	(391,973)	(303,884)	(788,918)	(974,347)
Marketable securities - fair value adjustment	(750)	(6,500)	(1,750)	(61,750)
<b>Net loss and comprehensive loss</b>	(392,723)	(310,384)	(790,668)	(1,036,097)
<b>Net loss per share</b>	(0.007)	(0.009)	(0.018)	(0.045)
<b>Weighted average outstanding shares</b>	58,710,792	34,316,487	44,830,787	22,909,101

*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,	2018	2017
	\$	\$
<b>Operating activities</b>		
<b>Net loss for the period</b>	(790,668)	(1,036,097)
<b>Add back / Deduct non cash expenses</b>		
Marketable securities - fair value adjustment	1,750	61,750
Share based compensation	191,666	103,332
<b>Total Non cash Expenses</b>	193,416	165,082
<b>Changes in non-cash balances</b>		
GST/HST Receivable	(89,648)	62,555
Other receivable	-	7,536
Accounts payable and accrued liabilities	202,873	(450,839)
<b>Changes in Operating Activities</b>	113,225	(380,748)
<b>Total cash used in Operating Activities</b>	(484,027)	(1,251,763)
<b>Investing activities</b>		
Purchase of mining property	(11,087)	155,000
<b>Total cash used in investing activities</b>	(11,087)	155,000
<b>Financing activities</b>		
Exercise of warrants	31,966	-
Proceeds from private placement	1,439,050	1,207,500
Share issue costs	(15,562)	(68,504)
<b>Total cash provided by financing activities</b>	1,455,454	1,138,996
<b>Increase in cash</b>	960,340	42,233
<b>Cash at the beginning of the period</b>	93,228	67,297
<b>Cash at the end of the period</b>	1,053,568	109,530

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

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2018**

**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 5891 Fourth Line, Hillsburgh, Ontario N0B 1Z0.

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, 2018. At September 30, 2018, the Company has an accumulated deficit of \$19,257,900 (December 31, 2017 - \$18,467,232) and has a working capital surplus of \$208,256 (December 31, 2017 – working capital deficiency \$637,109). 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 and International Financial Reporting Interpretations Committee ("IFRIC"). 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, 2017 ("Fiscal 2017"). The interim financial statements do not include all of the disclosures in the annual audited financial statements and the notes thereto included in the annual report for the year ended December 31, 2017.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of November 29, 2018, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS after this date could result in changes to the financial statements for the period ended September 30, 2018.

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, 2018.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2018**

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

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 the Company, is the Canadian dollar. For the purpose of the financial statements, the results and financial position are presented in Canadian dollars.

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.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2018**

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

- 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.

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	FVTPL
GST/HST receivable, other receivable	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.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2018**

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

- 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.

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 Interim 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 Interim Statements of Financial Position and a corresponding reduction in deferred tax expense on the Interim 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 Interim Statements of Loss and Comprehensive Loss with a corresponding credit to shareholders' equity on the Interim 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

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2018**

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

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.

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 Canada 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.

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2018**

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

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Interim Statements of Loss and Comprehensive Loss, 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.

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 Interim 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

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2018**

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

commitment is shown as a liability. Lease payments are analyzed between capital and interest. The interest element is charged to the Interim 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 Interim 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.

New and future accounting changes

The Company has adopted the following amendments effective January 1, 2018

(i) IFRS 9 – Financial Instruments

Classification and measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. This amendment is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The adoption of this standard had no material impact on the financial statements.

(ii) 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. The adoption of this standard had no material impact on the financial statements.

(iii) IFRS 2 – Share based payments.

In June 2016, the IASB issued amendments to IFRS 2, which clarify how to classify and measure certain type of share based payment transactions. These amendments are effective for annual periods beginning on or after January 1, 2018 and can be applied prospectively. The adoption of this standard had no material impact on the financial statements.

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

(iv) 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

**JOURDAN RESOURCES INC.**  
**Notes to the Interim Financial Statements**  
**September 30, 2018**

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

between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019.

(v) IFRIC 23 – Uncertainty over Income tax treatments.

This interpretation clarifies how to apply the measurement and recognition requirements in IAS 12, Income taxes when there is uncertainty over income tax treatments. In such a circumstance, the Company shall recognize and measure its current or deferred tax asset or liability applying the requirements of IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this interpretation. This interpretation is effective for annual periods beginning on or after January 1, 2019. The Company has not yet determined the impact of this interpretation on the financial statements.

**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, 2018 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 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:

- a. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities and
- b. 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
- c. 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.

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**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, 2018 was \$1,263,837 (December 31, 2017 - \$215,599) and was comprised of \$207,159 (December 31, 2017 - \$117,871) in taxes and other receivables, \$2,750 in marketable securities (December 31, 2017 - \$4,500) and \$1,053,568 (December 31, 2017 - \$93,228) 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 no operations in United States ("US") dollars. The Company has no US dollar hedging program to cover 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 lithium 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.

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

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.

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 classified 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 and other receivables.

**5. Marketable securities**

At September 30, 2018 and December 31, 2017, the Company held marketable securities as follows:

<b>30-Sep-18</b>	Number of Shares	Cost	Fair Value
		\$	\$
Satori Resources Inc.	50,000	50,000	2,750
Aurtois Exploration Inc.	312,000	50,000	-
		100,000	<b>2,750</b>
<b>31-Dec-17</b>	Number of Shares	Cost	Fair Value
		\$	\$
Satori Resources Inc.	50,000	50,000	4,500
Aurtois Exploration Inc.	312,000	50,000	-
		100,000	<b>4,500</b>

The fair value of the listed current available-for-sale investment has been determined directly by reference to published price quotations in an active market with any gain or loss adjusted through the income statement in other comprehensive loss as in accordance with IAS 39.

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**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 January 1, 2018	Additions	Closing September 30, 2018
	\$	\$	\$
Baillarge Moly-lithium	118,976	-	118,976
Valle Lithium	778,952	-	778,952
Rome Lithium	50,000	97,500	147,500
Pressiac Lacorne Lithium	212,000	11,087	223,087
Baillarge North	600,000	-	600,000
	1,759,928	108,587	1,868,515

**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") announced that they have entered into a non-arms-length assignment agreement with Fairmont resources Inc. entitling Jourdan to acquire a 100% interest in the Rome Lithium property ("the property"). In consideration of the acquisition of the interest in the property, Jourdan will: (i) make \$50,000 cash payment (Paid), (ii) issue 1,500,000 common shares (Issued) 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 and Baillarge**

The Vallee 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.

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).

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**7. 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, 2018, are as follows:

	September 30, 2018	December 30, 2017
	\$	\$
Trade payables	597,481	332,363
Accrued liabilities	24,755	87,000
<b>Total</b>	<b>622,236</b>	<b>419,363</b>

**8. 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	\$14,864,690
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	662,000
Shares issued for debt	5,860,863	439,526
<b>Balance, December 31, 2017</b>	<b>35,403,444</b>	<b>\$16,846,262</b>
<b>Balance, January 1, 2018</b>	<b>35,403,444</b>	<b>\$16,846,262</b>
Private placement NFT – June 2018	12,313,332	738,800
Black Scholes NFT warrants	-	(162,928)
Private placement FT – June 2018	8,870,000	665,250
Black Scholes FT warrants	-	(94,072)
Private placement FT – August 2018	466,667	35,000
Share issue costs	-	(15,562)
Black Scholes FT warrants	-	(4,900)
Warrants exercised	319,668	31,966
Shares issued to acquire mining property	1,500,000	97,500
<b>Balance, September 30, 2018</b>	<b>58,873,111</b>	<b>18,137,316</b>

**On April 10, 2018**, the Company issued 319,668 common shares at a deemed price of \$0.10 per common on the exercise of warrants for proceeds of \$31,966.

**On June 12, 2018**, the Company closed the first tranche of a non-brokered private placement by issuing 12,313,332 non flow through units of the Company at a price of \$0.06 per Unit; and 8,870,000 flow through common shares of the Company at a price of \$0.075 per FT unit, for aggregate gross proceeds of \$1,404,050.

**On August 1, 2018**, the Company closed the final tranche of a non-brokered private placement by issuing 466,667 flow through units of the Company at a price of \$0.075 per Unit for gross proceeds of \$35,000.

**JOURDAN RESOURCES INC.**  
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**8. Equity capital and reserve (Continued)**

Each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each Flow Through Unit consisted of one common share and one half of one common share purchase warrant. The warrants have an exercise price of \$0.10 per common share on that date that is 24 months from the issuance closing date. The Company intends to use the net proceeds of the Offering to fund exploration expenditures on its portfolio of mineral properties and for general working capital.

**On June 15, 2018**, the Company issued 1,500,000 common shares to Fairmont Resources to acquire an interest in the Rome Lithium property for a deemed value of \$97,500.

**(b) Share purchase warrants**

Details of share purchase warrant transactions for the period ended September 30, 2018 is as follows:

	Number of warrants	Weighted average exercise price
		\$
<b>Balance, January 1, 2017</b>	-	-
Warrants issued from private placement	8,050,000	0.10
Finder warrants from private placements	813,387	0.10
<b>Balance, December 31, 2017</b>	<b>8,863,387</b>	<b>0.10</b>
Warrants exercised	(319,668)	<b>0.10</b>
Warrants expired	(8,543,719)	<b>0.10</b>
Warrants issued from NFT private placement	12,313,332	<b>0.10</b>
Warrants issued from FT private placement	4,668,333	<b>0.10</b>
<b>Balance, September 30, 2018</b>	<b>16,981,665</b>	<b>0.10</b>

Details of warrants outstanding at September 30, 2018 are as follows:

Number of warrants	Fair value at grant date	Exercise price	Expiry date
	\$	\$	
16,748,332	257,000	0.10	June 12, 2020
233,333	4,900	0.10	August 2, 2020
<b>16,981,665</b>	<b>261,900</b>	<b>0.10</b>	

**(c) Stock options**

The Company has adopted a share-based payment plan under which members of the Board of Directors may award options for ordinary shares to directors, officers and consultants. The maximum number of shares issuable under the plan represents 10% of the issued and outstanding capital stock of the Company. The maximum number of shares which may be reserved for issuance to any optionee pursuant to share options may not exceed 5% of the common shares outstanding at the time of grant and 2% for consultants.

The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the ordinary shares on the day prior to the award, and the term of the options cannot exceed ten years. The options are vested over an 18-month period: 25% at the date of grant and 25% every six months thereafter.

On June 13, 2018, the board of directors of the Corporation granted 2,450,000 incentive stock options to directors, officers and consultants of the Corporation. The options will have a term of 5 years, expiring on June 12, 2023. Each option will allow the holder to purchase one common share in the Corporation at a price of \$0.08. All options

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

issued will be subject to a four-month hold.

The Company's stock options are as follows for the reporting periods presented:

	September 30, 2018		
	Number of options	Weighted average exercise price	Remaining life
		\$	
<b>Outstanding as at January 1, 2017</b>	<b>220,000</b>	<b>0.90</b>	<b>4.00</b>
Options granted	2,500,000	0.17	4.50
Expired	-	-	-
<b>Outstanding at December 31, 2017</b>	<b>2,720,000</b>	<b>0.23</b>	<b>4.00</b>
Options granted	2,450,000	0.08	4.75
<b>Outstanding at September 30, 2018</b>	<b>5,170,000</b>	<b>0.16</b>	<b>4.00</b>

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

<b>Balance, January 1, 2017</b>	<b>\$208,583</b>
Stock options, vested	180,831
<b>Balance, December 31, 2017</b>	<b>\$389,414</b>
Stock options, vested	191,666
<b>Balance, September 30, 2018</b>	<b>\$581,080</b>

	<u>2018</u>
Expected dividend yield	Nil
Risk-free interest rate	1.29%
Expected average life	5 Years
Expected annual volatility	67%

**(d) Contributed surplus**

<b>Balance, January 1, 2017</b>	<b>\$2,304,008</b>
Stock options, vested	180,831
<b>Balance, December 31, 2017</b>	<b>\$2,484,839</b>
Warrants expired	249,680
Exercise of warrants	9,270
Stock options, vested	191,666
<b>Balance, September 30, 2018</b>	<b>\$2,935,455</b>

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**9. 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, 2018 and 2017:

Transactions		Outstanding Balances		Description of Relationship to Company	Nature of Transaction
30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17		
\$	\$	\$	\$		
108,000	87,300	152,486	170,400	Company controlled by an officer – Michael Dehn	Management fees
19,445	10,520	22,791	-	Company controlled by corporate secretary – Maxime Lemieux	Legal Fees
22,500	5,000	2,825	2,825	Company controlled by an officer – John Ryan	Accounting fees
149,945	102,820	178,102	173,225		

**10. Other liabilities**

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 \$99,795. This balance is still accrued as at September 30, 2018.