

IGC



IGC RESOURCES INC.

Condensed Interim Financial Statements

As at and for the three month period ended October 31, 2017 - Unaudited

(Expressed in Canadian Dollars)

IGC RESOURCES INC.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNAUDITED

Expressed in Canadian Dollars

	October 31,	July 31,
	2017	2017
Current assets		
Cash	\$ 81	\$ 52
Accounts receivable	119	260
Prepaid expenses	833	833
Total assets	\$ 1,033	\$ 1,145
Current liabilities		
Accounts payable and accrued liabilities	\$ 50,019	\$ 49,655
Loans payable (note 5)	29,941	28,018
Total liabilities	79,960	77,673
Shareholders' deficit		
Share capital (note 6)	11,035,454	11,035,454
Reserves	1,493,708	1,493,708
Deficit	(12,608,089)	(12,605,690)
Total shareholders' deficit	(78,927)	(76,528)
Total liabilities and shareholders' deficit	\$ 1,033	\$ 1,145

Nature of operations and going concern (note 1)

Subsequent event (note 9)

Approved on behalf of the Board:

(signed) Jacqueline M. Tucker Director

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

IGC RESOURCES INC.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT - UNAUDITED

Expressed in Canadian Dollars

	Share Capital		Contributed Surplus	Deficit	Total
	Number of Shares	Amount			
Balance - July 31, 2016	26,564,428	\$ 11,035,454	\$ 1,493,708	\$ (12,585,590)	\$ (56,428)
Net loss for period		-	-	(8,717)	(8,717)
Balance - October 31, 2016	26,564,428	\$ 11,035,454	\$ 1,493,708	\$ (12,594,307)	\$ (65,145)
Balance - July 31, 2017	26,564,428	\$ 11,035,454	\$ 1,493,708	\$ (12,605,690)	\$ (76,528)
Net loss for period		-	-	(2,399)	(2,399)
Balance - October 31, 2017	26,564,428	\$ 11,035,454	\$ 1,493,708	\$ (12,608,089)	\$ (78,927)

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

IGC RESOURCES INC.
CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS - UNAUDITED

Expressed in Canadian Dollars

	For the the three month period ended October 31,	
	2017	2016
Operating expenses		
General and administrative	\$ 18	\$ 199
Transfer agent, listing and filing fees	1,931	1,789
Operating loss	(1,949)	(1,988)
Other income (expenses)		
Transaction costs	(450)	(6,729)
Net loss and comprehensive loss for period	\$ (2,399)	\$ (8,717)
Loss per share - basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding - basic and fully diluted	26,564,428	26,564,428

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

IGC RESOURCES INC.
CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED

Expressed in Canadian Dollars

	For the the three month period ended October 31,	
	2017	2016
Operating activities		
Net loss for period	\$ (2,399)	\$ (8,717)
Changes in non-cash working capital items		
Receivables	141	(333)
Accounts payable and accrued liabilities	364	810
Cash provided by (used in) operating activities	(1,894)	(8,240)
Financing activities		
Loan advances	1,923	8,565
Cash provided by (used in) financing activities	1,923	8,565
Increase (decrease) in cash	29	325
Cash - beginning of period	52	154
Cash - end of period	\$ 81	\$ 479

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

**IGC RESOURCES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017 - UNAUDITED**

Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

IGC Resources Inc. (the "Company") was incorporated under the laws of British Columbia in 1992. On July 21, 2004, the Company changed its name from International Green Ice Inc. to IGC Resources Inc. Its principal business activities historically included the exploration and evaluation of natural resource properties in Canada. Presently, the Company is looking for a high quality investment opportunity. The Company was moved from the TSX Venture Exchange to the NEX on July 10, 2014 due to its inability to meet its Tier 2 listing requirements. The Company is currently trading under the symbol IGC.H.

The address of the Company's corporate office is 228 16th Street Northwest, Calgary, Alberta T2N 2B9.

These condensed interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At October 31, 2017, the Company had a working capital deficit of \$78,927. During the three month period ended October 31, 2017, the Company had incurred a net loss totalling \$2,399. The accumulated deficit at October 31, 2017 is \$12,608,089. The Company has limited financial resources and has not been able to pay all of its accounts payable as they become due.

The ability of the Company to meet its commitments and ongoing operating expenses will depend upon the following:

- The ability to raise further funds through the issue of equity financing; and,
- Continued financial support from the creditors.

Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to continue to do so in the future and such funds will be available on terms acceptable by the Company. These conditions cast significant doubt on the Company's ability to continue as a going concern.

While these condensed interim financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are significant conditions and events that cast significant doubt on the validity of that assumption. These financial statements do not reflect all the adjustments to the carrying value of assets and liabilities and the reported expenses that would be necessary should the going concern assumption become inappropriate. These adjustments could be material.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements are prepared in accordance with International Financial Standard 34 Interim Financial Reporting of the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and interpretations of the International Financial Reporting Committee ("IFRIC"). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's audited financial statements for the year ended July 31, 2017. The policies applied in these condensed interim financial statements are based on IFRS issued as of December 28, 2017, the date the Board of Directors approved the financial statements. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended July 31, 2017.

IGC RESOURCES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017 - UNAUDITED

Expressed in Canadian Dollars

3. ACCOUNTING POLICIES

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis except for certain assets which are measured at fair value. These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

The preparation of these condensed interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. The critical judgements made by management include the determination of the Company's functional currency as the Canadian dollar and issues regarding the going concern of the Company, as discussed in note 1. There are no critical accounting estimates impacting the carrying amount of assets and liabilities for the current period.

5. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the financial statements not disclosed elsewhere in these financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include the Company's directors and members of the senior management group.

During the three month period ended October 31, 2017, \$1,923 (2016- \$8,565) in loan proceeds were advanced to the Company to pay creditors, as set out in the table below. The loans payable are without interest or stated terms of repayment.

	October 31, 2017	July 31, 2017
Due to a company controlled by a director	\$ 13,966	\$ 13,325
Due to a shareholder	15,975	14,693
	\$ 29,941	\$ 28,018

Amounts due to related parties included in accounts payable and accrued liabilities are as follows:

	October 31, 2017	July 31, 2017
Balances payable to key management personnel for compensation	\$ 9,188	\$ 9,188

**IGC RESOURCES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017 - UNAUDITED**

Expressed in Canadian Dollars

6. EQUITY

Authorized - an unlimited number of common shares without par value.

7. CAPITAL MANAGEMENT

The Company's objectives when managing its capital is to maintain the ability to continue as a going concern in order to pursue a business development opportunity for the benefits of its stakeholders and to maintain flexible capital structure, which optimizes the costs of capital at an acceptable risk level.

In the management of capital, the Company includes the components of shareholders' deficit.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company is not subject to externally imposed capital requirements. In addition, there have been no changes to the Company's approach to capital management during the three month period ended October 31, 2017.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Company's accounts payable and loans payable approximate carrying value, due to their short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and price risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Since the Company's only receivables are GST, it is not subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Company manages liquidity risk through its capital management as outlined in note 7.

**IGC RESOURCES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017 - UNAUDITED**

Expressed in Canadian Dollars

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - CONTINUED

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

a) 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 is not exposed to interest rate risk from any of its financial instruments.

b) Price risk

The Company is not exposed to price risk as it does not hold any investments in publicly traded securities.

c) Currency risk

The Company's expenditures are predominantly in Canadian dollars, and therefore is not exposed to foreign currency risk.

9. SUBSEQUENT EVENT

Subsequent to October 31, 2017, a director controlled company and a shareholder advanced the Company additional loan proceeds of \$9,237.