

# Lund Enterprises Corp.

Condensed Interim Financial Statements

Three Months Ended September 30, 2017

(Unaudited – Prepared by Management)

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of Lund Enterprises Corp. (the “Company”) have been prepared by and are the responsibility of Company’s management.

The Company’s independent auditors have not performed a review of these financial statements.

**LUND ENTERPRISES CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)

	September 30, 2017	June 30, 2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 141,046	\$ 158,687
Receivables	396	475
Prepaid expenses	<u>3,913</u>	<u>3,002</u>
<b>Total current assets</b>	<u>145,355</u>	<u>162,164</u>
<b>Total Assets</b>	<u>\$ 145,355</u>	<u>\$ 162,164</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 4 and 6)	<u>\$ 83,014</u>	<u>\$ 66,415</u>
<b>Shareholders' Equity</b>		
Share capital (Note 5)	17,355,941	17,355,941
Reserves	1,378,246	1,378,246
Deficit	<u>(18,671,846)</u>	<u>(18,638,438)</u>
<b>Total Shareholders' Equity</b>	<u>62,341</u>	<u>95,749</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 145,355</u>	<u>\$ 162,164</u>

**Nature and continuance of operations (Note 1)**

These financial statements are authorized for issue by the Board of Directors on November 28, 2017.

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

**LUND ENTERPRISES CORP.****CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three months ended September 30, 2017 and 2016

(Unaudited)

	2017	2016
<b>EXPENSES</b>		
Audit and accounting	\$ 5,915	\$ 5,868
Filing and transfer agent fees	2,033	2,258
Legal	585	650
Office and general	3,434	2,365
Rent	-	2,593
Salaries and benefits (Note 6)	21,261	13,308
Travel and public relations	180	180
	<u>(33,408)</u>	<u>(27,222)</u>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (33,408)</b>	<b>\$ (27,222)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>9,335,313</b>	<b>7,835,313</b>

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

**LUND ENTERPRISES CORP.****CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

For the three months ended September 30, 2017 and 2016

(Unaudited)

	<u>Share capital</u>		Share-based payments reserve	Deficit	Total share- holders' equity
	Number of shares	Amount			
Balance at June 30, 2016	7,835,313	\$17,205,941	\$1,378,246	\$(18,520,042)	\$64,145
Loss and comprehensive loss for the period	-	-	-	(27,222)	(27,222)
Balance at September 30, 2016	7,835,313	\$17,205,941	\$1,378,246	\$(18,547,264)	\$36,923
Balance at June 30, 2017	9,335,313	\$17,355,941	\$1,378,246	\$(18,638,438)	\$95,749
Loss and comprehensive loss for the period	-	-	-	(33,408)	(33,408)
Balance at September 30, 2017	9,335,313	\$17,355,941	\$1,378,246	\$(18,671,846)	\$62,341

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

**LUND ENTERPRISES CORP.**  
**STATEMENTS OF CASH FLOWS**  
For the three months ended September 30, 2017 and 2016  
(Unaudited)

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (33,408)	\$ (27,222)
Changes in non-cash working capital items:		
Receivables	79	(1,378)
Prepaid expenses	(911)	(562)
Trade and other payables	16,599	14,187
Net cash used in operating activities	<u>(17,641)</u>	<u>(14,975)</u>
<b>Change in cash</b>	(17,641)	(14,975)
<b>Cash, beginning of period</b>	<u>158,687</u>	<u>102,436</u>
<b>Cash, end of period</b>	<u>\$ 141,046</u>	<u>\$ 87,461</u>

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

## **LUND ENTERPRISES CORP.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2017 and 2016

(Unaudited)

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Lund Enterprises Corp. (the “Company” or “Lund”) was incorporated on June 22, 1978 under the provisions of the Company Act of British Columbia. The Company is in the business of exploring mineral properties. The address of the Company’s corporate office and principal place of business is Suite 300, Guinness Tower, 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9.

The business of exploring exploration and evaluation assets involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. The recoverability of amounts expended on exploration and evaluation assets is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these properties, and future profitable production or proceeds from the disposition of exploration and evaluation assets. Because of the Company’s history of operating losses, limited working capital and the state of the capital markets for companies such as Lund, management believes such uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

#### **2. BASIS OF PRESENTATION**

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended June 30, 2017.

These condensed interim financial statements do not include all the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company’s annual financial statements as at and for the year ended June 30, 2017.

#### **3. EXPLORATION AND EVALUATION ASSETS**

##### **Black Fox Project, Ontario**

Since fiscal 2009 the Company has held an option to acquire a 100% interest in nine claim blocks located in the Thunder Bay Mining Division of northern Ontario. To date, by way of option payments, the Company has issued a total of 20,000 common shares, as adjusted to reflect a share consolidation in December 2013, and made a series of cash payments totalling \$85,000. A final 10,000 common shares will become issuable to the optionors upon the completion of a positive feasibility study. The optionors retain a 2.5% net smelter royalty interest, of which 40% can be purchased by the Company at any time for \$1,000,000. At June 30, 2012, the Company wrote off \$1,153,270 of Black Fox Project costs, being the entire investment to that date in the project. Effective July 1, 2012 further incidental exploration and evaluation costs, if any, are being charged to the statement of loss and comprehensive loss as an operating expense.

**LUND ENTERPRISES CORP.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2017 and 2016

(Unaudited)

**4. TRADE AND OTHER PAYABLES**

	September 30, 2017	June 30, 2017
Accounts payable	\$ 2,654	\$ 945
Accrued payables	80,360	65,470
Trade and other payables	\$ 83,014	\$ 66,415

**5. SHARE CAPITAL**

(a) Authorized: As at September 30, 2017, the authorized share capital of the Company was an unlimited number of common shares without par value.

Issued: *Common shares:* 9,335,313 (June 30, 2017 – 9,335,313).

*Warrants:* The following table summarizes information about the issued and outstanding warrants during the period ended September 30, 2017 and June 30, 2017:

	September 30, 2017		June 30, 2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	3,000,000	\$ 0.20	3,000,000	\$ 0.20
Expired in the period	(3,000,000)	-	-	-
Warrants outstanding, end of period	-	\$ -	3,000,000	\$ 0.20

*Stock options:* The Company has an incentive stock option plan (the “Plan”) to grant options to employees, officers, directors and consultants. The maximum number of shares reserved for issuance under the Plan shall not exceed 10% of the issued share capital of the Company. The exercise price of each option may not be less than the market price of the Company’s shares at the date of grant. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

The Company has no stock options outstanding for the periods presented.

**6. RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company and include both executive and non-executive directors and other senior officers. The Company considers all directors and officers of the Company to be key management personnel.

The Company incurred the following costs with directors and officers:

	Three months ended September 30, 2017	Three months ended September 30, 2016
Directors’ fees (included in salaries and benefits)	\$ 4,500	\$ 4,500
Management salaries and benefits	11,750	5,700
	\$ 16,250	\$ 10,200

Included in trade and other payables at September 30, 2017 is \$65,950 (June 30, 2017 - \$54,500) due to directors and senior officers.