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**KINGSMEN RESOURCES LTD.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2017

*(Unaudited - Expressed in Canadian Dollars)*

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**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

**KINGSMEN RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	September 30, 2017 \$	December 31, 2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		272,740	382,145
GST receivable		888	1,089
Prepaid expenses		<u>3,867</u>	<u>2,567</u>
<b>Total current assets</b>		<u>277,495</u>	<u>385,801</u>
<b>Non-current assets</b>			
Exploration and evaluation assets	4	<u>1</u>	<u>1</u>
<b>Total non-current assets</b>		<u>1</u>	<u>1</u>
<b>TOTAL ASSETS</b>		<u>277,496</u>	<u>385,802</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	<u>16,430</u>	<u>19,155</u>
<b>TOTAL LIABILITIES</b>		<u>16,430</u>	<u>19,155</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	5	17,539,956	17,539,956
Share-based payment reserve		2,159,638	2,159,638
Deficit		<u>(19,438,528)</u>	<u>(19,332,947)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>261,066</u>	<u>366,647</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>277,496</u>	<u>385,802</u>

**Nature of Operations** - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 28, 2017 and are signed on its behalf by:

/s/ Scott Emerson  
 Scott Emerson  
 Director

/s/ Nick DeMare  
 Nick DeMare  
 Director

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

**KINGSMEN RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	Three Months Ended September 30		Nine Months Ended September 30	
		2017 \$	2016 \$	2017 \$	2016 \$
<b>Expenses</b>					
Accounting and administration	6(b)	3,842	3,635	13,926	17,238
Audit		-	-	11,985	11,985
General exploration		3,777	-	9,611	4,250
Management fees	6(a)	2,550	24,000	25,550	72,000
Office		280	3,456	3,220	9,486
Professional fees	6	6,000	6,000	18,000	18,000
Regulatory		1,300	1,800	8,248	8,624
Rent		2,550	3,300	7,650	9,900
Shareholder costs		1,678	1,843	1,798	2,448
Transfer agent		2,412	842	3,832	5,845
Travel and related		276	306	276	1,020
		<u>24,665</u>	<u>45,182</u>	<u>104,096</u>	<u>160,796</u>
<b>Loss before other items</b>		<u>(24,665)</u>	<u>(45,182)</u>	<u>(104,096)</u>	<u>(160,796)</u>
<b>Other items</b>					
Interest income		746	911	2,138	3,098
Foreign exchange gain (loss)		<u>(1,791)</u>	<u>201</u>	<u>(3,623)</u>	<u>(2,341)</u>
		<u>(1,045)</u>	<u>1,112</u>	<u>(1,485)</u>	<u>757</u>
<b>Net loss and comprehensive loss for the period</b>		<u>(25,710)</u>	<u>(44,070)</u>	<u>(105,581)</u>	<u>(160,039)</u>
<b>Basic and diluted loss per common share</b>		<u>\$(0.00)</u>	<u>\$(0.00)</u>	<u>\$(0.01)</u>	<u>\$(0.02)</u>
<b>Basic and diluted weighted average number of common shares outstanding</b>		<u>8,894,376</u>	<u>8,894,376</u>	<u>8,894,376</u>	<u>8,894,376</u>

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

**KINGSMEN RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
*(Unaudited - Expressed in Canadian Dollars)*

	<b>Nine Months Ended September 30, 2017</b>				
	<b>Share Capital</b>		<b>Share-Based Payment Reserve \$</b>	<b>Deficit \$</b>	<b>Total Equity \$</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance at December 31, 2016</b>	8,894,376	17,539,956	2,159,638	(19,332,947)	366,647
Net loss for the period	-	-	-	(105,581)	(105,581)
<b>Balance at September 30, 2017</b>	<u>8,894,376</u>	<u>17,539,956</u>	<u>2,159,638</u>	<u>(19,438,528)</u>	<u>261,066</u>

	<b>Nine Months Ended September 30, 2016</b>				
	<b>Share Capital</b>		<b>Share-Based Payment Reserve \$</b>	<b>Deficit \$</b>	<b>Total Equity \$</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance at December 31, 2015</b>	8,894,376	17,539,956	2,159,638	(19,142,549)	557,045
Net loss for the period	-	-	-	(160,039)	(160,039)
<b>Balance at September 30, 2016</b>	<u>8,894,376</u>	<u>17,539,956</u>	<u>2,159,638</u>	<u>(19,302,588)</u>	<u>397,076</u>

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

**KINGSMEN RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
*(Unaudited - Expressed in Canadian Dollars)*

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	<b>Nine Months Ended</b>	
	<b>September 30.</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net loss for the period	(105,581)	(160,039)
Changes in non-cash working capital items:		
GST receivable	201	(108)
Prepaid expenses	(1,300)	(1,300)
Accounts payable and accrued liabilities	<u>(2,725)</u>	<u>2,103</u>
<b>Net cash used in operating activities</b>	<u>(109,405)</u>	<u>(159,344)</u>
<b>Net change in cash</b>	(109,405)	(159,344)
<b>Cash at beginning of period</b>	<u>382,145</u>	<u>575,522</u>
<b>Cash at end of period</b>	<u>272,740</u>	<u>416,178</u>

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

**KINGSMEN RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**  
*(Unaudited - Expressed in Canadian Dollars)*

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**1. Nature of Operations**

The Company was incorporated on January 11, 2000 under the provisions of the Company Act (British Columbia). The Company's common shares are listed and trade on the TSX Venture Exchange ("TSXV") under the symbol "KNG". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company is engaged in the acquisition and exploration of precious metals on mineral properties. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

As at September 30, 2017 the Company had working capital in the amount of \$261,065 and an accumulated deficit of \$19,438,528. To date the Company has not earned any revenues and is considered to be in the exploration stage. These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company currently does not anticipate incurring significant exploration activities on its existing exploration and evaluation assets and management considers that the Company has adequate resources to maintain its core operations the next twelve months. The Company continues to conduct reviews and due diligence on prospective acquisitions. Completion of any acquisition and resultant exploration activities may require the Company to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

**2. Basis of Preparation**

*Statement of Compliance*

These unaudited condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's audited financial statements for the year ended December 31, 2016.

*Basis of Measurement*

The Company's unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

**3. Subsidiary**

The Company has one wholly-owned subsidiary, TMXI Resources S.A. de C.V., a company incorporated in Mexico.

**KINGSMEN RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**  
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**4. Exploration and Evaluation Assets**

*La Trini, Mexico*

The Company owns a 100% interest in the La Trini and Mololoa mineral claims (“La Trini Project”). The La Trini Project is located in the Jalisco silver belt approximately 100 kilometres northwest of Guadalajara, Jalisco State, Mexico.

The La Trini Project is subject to a 1% net smelter return royalty (“NSR”) and the Company has the right to reduce the NSR to 0.5% through a cash payment of US \$1,000,000.

**5. Share Capital**

(a) *Authorized Share Capital*

The Company’s authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Equity Financings*

No equity financings were conducted by the Company during the nine months ended September 30, 2017 or fiscal 2016.

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company’s outstanding warrants at September 30, 2017 and 2016 and the changes for the nine months ended on those dates is as follows:

	2017		2016	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	-	-	1,562,500	0.80
Expired	-	-	<u>(1,562,500)</u>	0.80
Balance, end of period	-	-	<u>-</u>	-

(d) *Share Option Plan*

The Company has established a rolling share option plan (the “Plan”), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company’s closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

The Company did not grant any share options during the nine months ended September 30, 2017 and 2016 and, as of September 30, 2017, the Company had no share options outstanding.

**KINGSMEN RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**6. Related Party Disclosures**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Key Management Personnel Disclosures*

During the nine months ended September 30, 2017 and 2016 the following amounts were incurred with respect to the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) of the Company:

	2017 \$	2016 \$
Management fees - CEO	25,550	72,000
Professional fees - CFO	<u>4,500</u>	<u>4,500</u>
	<u>30,050</u>	<u>76,500</u>

As at September 30, 2017, \$3,700 (December 31, 2016 - \$nil) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Other Related Party Disclosures*

(i) During the nine months ended September 30, 2017 and 2016 the following amounts were incurred with respect to non-management directors of the Company:

	2017 \$	2016 \$
Professional fees	<u>13,500</u>	<u>13,500</u>

As at September 30, 2017, \$4,500 (December 31, 2016 - \$6,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the nine months ended September 30, 2017 the Company incurred a total of \$10,800 (2016 - \$14,000) to Chase Management Ltd. (“Chase”), a private corporation owned by the CFO of the Company, for accounting and administration services provided by Chase personnel excluding the CFO. As at September 30, 2017, \$2,000 (December 31, 2016 - \$1,300) remained unpaid and has been included in accounts payable and accrued liabilities.

**7. Segmented Information**

The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results. The Company’s total assets are segmented geographically as follows:

	<u>As at September 30, 2017</u>		
	Canada \$	Mexico \$	Total \$
Current assets	277,495	-	277,495
Exploration and evaluation assets	<u>-</u>	<u>1</u>	<u>1</u>
	<u>277,495</u>	<u>1</u>	<u>277,496</u>

**KINGSMEN RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**  
*(Unaudited - Expressed in Canadian Dollars)*

7. **Segmented Information** (continued)

	<b>As at December 31, 2016</b>		
	<b>Canada</b>	<b>Mexico</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current assets	383,825	1,976	385,801
Exploration and evaluation assets	-	1	1
	<u>383,825</u>	<u>1,977</u>	<u>385,802</u>

8. **Financial Instruments and Risk Management**

*Categories of Financial Assets and Financial Liabilities*

Financial instruments are classified into one of the following categories: FVTPL; held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

<b>Financial Instrument</b>	<b>Category</b>	<b>September 30,</b>	<b>December 31,</b>
		<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Cash	FVTPL	272,740	382,145
Accounts payable and accrued liabilities	Other financial liabilities	(16,430)	(19,155)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amount receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy are measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

**KINGSMEN RESOURCES LTD.**  
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**8. Financial Instruments and Risk Management (continued)**

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

<b>Contractual Maturity Analysis at September 30, 2017</b>					
	<b>Less than 3 Months \$</b>	<b>3 - 12 Months \$</b>	<b>1 - 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
Cash	272,740	-	-	-	272,740
Accounts payable and accrued liabilities	(16,430)	-	-	-	(16,430)
<b>Contractual Maturity Analysis at December 31, 2016</b>					
	<b>Less than 3 Months \$</b>	<b>3 - 12 Months \$</b>	<b>1 - 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
Cash	382,145	-	-	-	382,145
Accounts payable and accrued liabilities	(19,155)	-	-	-	(19,155)

*Market Risk*

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

*Interest Rate Risk*

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

*Foreign Currency Risk*

The Company has operations in Mexico subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars and Mexican Pesos. The fluctuation of the Canadian Dollar in relation to the Mexican Peso will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company also maintains US Dollar bank accounts with its Canadian bank. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At September 30, 2017, 1 Canadian Dollar was equal to 14.60 Mexican Pesos and 0.80 US Dollar.

Balances are as follows:

	<b>Mexican Pesos</b>	<b>US Dollars</b>	<b>CDN \$ Equivalent</b>
Cash	-	30,572	38,154
Accounts payable and accrued liabilities	(36,850)	-	(2,524)
	<u>(36,850)</u>	<u>30,572</u>	<u>35,630</u>

Based on the net exposures as of September 30, 2017 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Mexican Peso and the US Dollar would result in the Company's net loss being approximately \$3,700 higher (or lower).

**KINGSMEN RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**  
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**8. Financial Instruments and Risk Management (continued)**

*Capital Management*

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.