

ASHBURTON VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

(Expressed in Canadian Dollars)

Registered Head Office
1240 – 789 West Pender Street
Vancouver, BC
V6C 1H2

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

ASHBURTON VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
AS AT

	July 31, 2017	April 30, 2017
ASSETS		
Current		
Cash	\$ 345,269	\$ 271,698
Commodity tax recoverable	7,074	35,038
Prepaid expenses	20,774	45,723
Inventory (Note 3)	161,485	-
	<u>534,602</u>	<u>352,459</u>
Equipment (Note 4)	10,302	10,844
Exploration advances	41,205	25,463
Exploration and evaluation assets (Note 5)	<u>1,828,493</u>	<u>1,847,977</u>
	<u>\$ 2,414,602</u>	<u>\$ 2,236,743</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 238,297	\$ 281,024
Flow-through share premium liability (Note 7)	<u>36,682</u>	<u>-</u>
	<u>274,979</u>	<u>281,024</u>
Shareholders' equity (deficiency)		
Share capital (Note 8)	12,807,943	12,406,204
Share-based payment reserve (Note 8)	1,657,510	1,624,246
Deficit	<u>(12,325,830)</u>	<u>(12,074,731)</u>
	<u>2,139,623</u>	<u>1,955,719</u>
	<u>\$ 2,414,602</u>	<u>\$ 2,236,743</u>

Nature of operations and going concern (Note 1)

On behalf of the Board:

"Michael England" Director "David Gdanski" Director

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

ASHBURTON VENTURES INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

	Three Month Period Ended	
	2017	July 31, 2016
EXPENSES		
Advertising and promotion	\$ 1,875	\$ 100
Consulting fees (Note 9)	78,833	51,050
Depreciation (Note 4)	542	-
Foreign exchange loss	152	233
Gain on forgiveness of accounts payable (Note 6)	-	(8,930)
Management fees (Note 9)	25,500	25,500
Office and administration (Note 9)	27,053	20,378
Professional fees	18,282	22,986
Reversal of flow-through premium (Note 8)	(4,765)	(8,753)
Share-based compensation (Note 8 and 9)	75,600	-
Transfer agent and filing fees	7,424	12,718
Travel and entertainment	15,803	2,593
Write-off of exploration and evaluation assets (Note 5)	4,800	-
Loss and comprehensive loss of the period	\$ (251,099)	\$ (117,875)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares – basic and diluted	29,238,826	10,748,166

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

ASHBURTON VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Number of shares	Share capital	Subscriptions received in advance	Share-based payment reserve	Deficit	Total equity (deficiency)
April 30, 2016	9,121,509	\$ 9,162,649	\$ -	\$ 1,212,901	\$ (10,767,281)	\$ (391,731)
Private placement	1,992,750	996,375	-	-	-	996,375
Share issue costs	-	(104,850)	-	-	-	(104,850)
Share issue costs - warrants	-	(26,000)	-	26,000	-	-
Shares issued upon exercised warrants	164,800	82,400	-	-	-	82,400
Shares issued upon exercised options	65,000	49,441	-	(16,941)	-	32,500
Subscriptions received in advance	-	-	15,000	-	-	15,000
Flow-through share premium	-	(29,250)	-	-	-	(29,250)
Shares issued for property payments	425,000	206,250	-	-	-	206,250
Loss for the period	-	-	-	-	(117,875)	(117,875)
July 31, 2016	11,769,059	10,337,015	15,000	1,221,960	(10,885,156)	688,819
Private placements	12,382,250	1,345,125	(15,000)	46,000	-	1,376,125
Share issue costs	-	(53,325)	-	-	-	(53,325)
Share issue costs - shares	77,750	38,875	-	-	-	38,875
Share issue costs - warrants	-	(86,300)	-	86,300	-	-
Shares issued upon exercised options	265,000	49,814	-	(19,814)	-	30,000
Share-based compensation	-	-	-	289,800	-	289,800
Shares issued for property payments	4,075,000	775,000	-	-	-	775,000
Loss for the period	-	-	-	-	(1,189,575)	(1,189,575)
April 30, 2017	28,569,059	12,406,204	-	1,624,246	(12,074,731)	1,955,719
Private placements	1,315,789	210,526	-	39,474	-	250,000
Share issue costs	-	(30,526)	-	-	-	(30,526)
Share issue costs - shares	65,789	10,526	-	-	-	10,526
Share issue costs - warrants	-	(9,400)	-	9,400	-	-
Shares issued upon exercised warrants	1,008,500	197,460	-	(66,610)	-	130,850
Shares issued upon exercised options	400,000	64,600	-	(24,600)	-	40,000
Share-based compensation	-	-	-	75,600	-	75,600
Flow-through share premium	-	(41,447)	-	-	-	(41,447)
Loss for the period	-	-	-	-	(251,099)	(251,099)
July 31, 2017	31,359,137	\$ 12,807,943	\$ -	\$ 1,657,510	\$ (12,325,830)	\$ 2,139,623

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

ASHBURTON VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Month Period Ended	
	2017	July 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (251,099)	\$ (117,875)
Items not involving cash:		
Depreciation	542	-
Accrued interest on loan payable	-	781
Share-based compensation	75,600	-
Reversal of flow-through premium	(4,765)	(8,752)
Gain on forgiveness of accounts payable	-	(8,930)
Write-off of exploration and evaluation assets	4,800	-
Change in non-cash operating working capital:		
Commodity tax recoverable	27,964	(138)
Prepaid expenses	24,949	(3,000)
Accounts payable and accrued liabilities	(246,876)	(158,539)
Net cash used in operating activities	(368,885)	(296,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets acquisition and expenditures	(35,587)	(142,388)
Recovery of exploration and evaluation expenditures	77,193	-
Net cash provided by (used in) investing activities	41,606	(142,388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuances	250,000	957,500
Share issue costs	(20,000)	(65,975)
Proceeds from stock options exercised	40,000	32,500
Proceeds from warrants exercised	130,850	82,400
Subscriptions received in advance	-	15,000
Net cash provided by financing activities	400,850	1,021,425
Change in cash during the period	73,571	582,584
Cash, beginning of period	271,698	843
Cash, end of period	\$ 345,269	\$ 583,427
SUPPLEMENTAL INFORMATION		
Exploration advance applied to exploration and evaluation assets	\$ 53,450	\$ 57,175
Exploration and evaluation assets in accounts payable	\$ 35,423	\$ 1,823
Inventory in accounts payable	\$ 161,485	\$ -
Shares issued for exploration and evaluation assets	\$ -	\$ 206,250
Finders' warrants	\$ 9,400	\$ 26,000
Fair value of options exercised	\$ 24,600	\$ 16,941
Fair value of warrants exercised	\$ 66,610	\$ -
Fair value of warrants included in unit offering exercised	\$ 39,474	\$ -
Flow-through share premium liability	\$ 41,447	\$ 29,250

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

ASHBURTON VENTURES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

1. NATURE OF OPERATIONS AND GOING CONCERN

Ashburton Ventures Inc. (the “Company”) was incorporated under the laws of British Columbia, Canada on November 10, 2006. The Company is a junior exploration company primarily engaged in the acquisition and exploration of exploration and evaluation assets located in Canada.

Effective January 26, 2017, the Company consolidated its common shares on a 10:1, basis. These condensed consolidated interim financial statements have been retrospectively adjusted to reflect the share consolidation.

These condensed consolidated interim statement of financial position has been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop, profitable operations. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. Additionally the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES**Basis of presentation**

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiary. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the condensed consolidated interim financial statements are presented below and are based on IFRS’ issued and outstanding as of September 27, 2017, the date the Board of Directors approved the condensed consolidated interim financial statements. Any subsequent changes to IFRS that are given effect in our annual consolidated financial statements for the year ending April 30, 2018 could result in restatements of these condensed consolidated interim financial statements. None of these standards are expected to have a significant effect on the condensed consolidated interim financial statements.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned inactive subsidiary, 20090914 Nevada, Inc., which was incorporated in under the laws of Nevada, USA. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company balances have been eliminated upon consolidation.

ASHBURTON VENTURES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Estimates and judgments

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment of the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the consolidated statement of financial position.
- ii) The inputs in the Black-Scholes Option Pricing Model to value stock options and broker warrants.

Critical judgements exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

- i) Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

- ii) Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. The Model requires the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity settled benefits.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

ASHBURTON VENTURES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

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FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Inventory

Inventory consists of materials, supplies, and finished goods and is recorded at the lower of weighted average cost or net realizable value.

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that 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. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Decommissioning and restoration provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the year incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

Equipment

Equipment is recorded at cost and depreciated using the declining balance method at the following rates per annum.

Equipment	20% per annum
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Equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options and compensatory warrants are measured on the date of grant, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

ASHBURTON VENTURES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow through shares in excess of the market value of the shares without flow-through features is credited as a liability and included in profit or loss at the same time the qualifying expenditures are made.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash at fair value through profit or loss.

ASHBURTON VENTURES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category includes accounts payables and accrued liabilities which is recognized at amortized cost using the effective interest method.

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

ASHBURTON VENTURES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**Future accounting pronouncements**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

IFRS 9 *Financial Instruments* replaces the current standard IAS 39 *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard has an effective date of January 1, 2018.

IFRS 16 *Leases* specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. Applicable to annual periods beginning on or after January 1, 2019.

3. INVENTORY

	July 31, 2017	April 30, 2017
Materials	\$ 161,485	\$ -

Inventory consists of unrefined zeolite that is not yet available for sale and is valued at the lower of average production cost and net realizable value less estimated royalties, refining and transportation charges.

4. EQUIPMENT

Equipment is carried at cost less accumulated depreciation. Details are as follows:

	Equipment	
Cost		
Balance, April 30, 2016	\$	-
Additions		12,049
Balance, April 30, 2017 and July 31, 2017	\$	12,049
Accumulated depreciation		
Balance, April 30, 2016	\$	-
Additions		1,205
Balance, April 30, 2017		1,205
Additions		542
Balance, July 31, 2017	\$	1,747
Carrying amounts		
Balance, April 30, 2017	\$	10,844
Balance, July 31, 2017	\$	10,302

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FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

5. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets interests involves certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets interests and, to the best of its knowledge, expects title to all of its interests to be in good standing.

Summary for the period ended July 31, 2017:

	Buckingham Property, Quebec	Thompson Bros. Lithium Property, Manitoba	Zeolite and Juniper Creek Chabazite Zeolite Properties, BC	Z1 Zeolite Property, BC	Whabouchi South Property, Quebec	Total
Opening balance						
Acquisition costs	\$ 105,000	\$ 182,500	\$ 186,044	\$ 458,400	\$ -	\$ 931,944
Exploration costs	840,399	27,884	25,000	22,750	-	916,033
Balance, April 30, 2017	945,399	210,384	211,044	481,150	-	1,847,977
Acquisition cost additions						
Cash	-	-	6,006	-	-	6,006
Shares	-	-	-	-	-	-
Total acquisition cost additions	-	-	6,006	-	-	6,006
Assay	5,190	8,660	-	-	-	13,850
Drilling	-	-	-	-	-	-
Field work	-	-	3,182	21,423	-	24,605
Geological consulting	4,289	16,500	1,957	-	4,800	27,546
Travel	-	-	674	614	-	1,288
Less: recovery	-	(87,979)	-	-	-	(87,979)
Total exploration cost additions (recovery)	9,479	(62,819)	5,813	22,037	4,800	(20,690)
Write-off of exploration and evaluation assets	-	-	-	-	(4,800)	(4,800)
Balance, July 31, 2017	\$ 954,878	\$ 147,565	\$ 222,863	\$ 503,187	\$ -	\$ 1,828,493

ASHBURTON VENTURES INC.
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5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Summary for the year ended April 30, 2017:

	Hackett, Claims, BC	Buckingham Property, Quebec	Thompson Bros. Lithium Property, Manitoba	Zeolite and Juniper Creek Chabazite Zeolite Properties, BC	Z1 Zeolite Property, BC	Elon Lithium Claims, Nevada	Whabouchi South Property, Quebec	Whabouchi West Property, Quebec	Total
Opening balance									
Acquisition costs	\$ 1,492	\$ 22,500	\$ -	\$ -	\$ -	\$ 102,500	\$ 5,000	\$ -	\$ 131,492
Exploration costs	12,710	258,778	-	-	-	6,157	-	-	277,645
Balance, April 30, 2016	14,202	281,278	-	-	-	108,657	5,000	-	409,137
Acquisition cost additions									
Cash	1,056	30,000	65,000	11,044	20,000	3,742	20,000	5,000	155,842
Shares	-	52,500	117,500	175,000	438,400	-	150,000	56,250	989,650
Total acquisition cost additions	1,056	82,500	182,500	186,044	458,400	3,742	170,000	61,250	1,145,492
Assay	-	62,224	-	-	-	-	1,943	-	64,167
Drilling	-	309,092	126,625	-	-	-	-	-	435,717
Field work	-	142,850	78,960	-	6,250	-	46,814	-	274,874
Geological consulting	-	63,283	93,128	25,000	16,500	-	528	-	198,439
Travel	-	4,172	3,021	-	-	-	-	-	7,193
Less: recovery	-	-	(273,850)	-	-	-	-	-	(273,850)
Total exploration cost additions	-	581,621	27,884	25,000	22,750	-	49,285	-	706,540
Write-off of exploration and evaluation assets	(15,258)	-	-	-	-	(112,399)	(224,285)	(61,250)	(413,192)
Balance, April 30, 2017	\$ -	\$ 945,399	\$ 210,384	\$ 211,044	\$ 481,150	\$ -	\$ -	\$ -	\$ 1,847,977

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5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Buckingham Property, Quebec

On December 4, 2015, the Company entered into an option agreement to acquire a 60% interest in the Buckingham Graphite Property for the following consideration:

- i) Share issuances
 - a) 150,000 common shares on or before closing (issued with a value of \$22,500).
 - b) 150,000 common shares on or before October 8, 2016 (issued with a value of \$52,500).
- ii) Cash payment
 - a) \$25,000 on or before October 8, 2016 (paid).
- iii) Exploration expenditure
 - a) incur \$200,000 in exploration on or before October 8, 2016 (incurred).
 - b) incur cumulative exploration expenditures of \$400,000 on or before October 8, 2017 (incurred).

On September 15, 2016, the Company announced that it has signed an agreement to increase its stake in the Buckingham Property from an option to acquire 60% now up to 80%. To earn the additional 20% the Company has fulfilled the existing option terms to earn its 60% interest, will pay an additional \$5,000 cash (paid) to the optionor plus incur an additional \$200,000 (incurred) in expenditures.

Thompson Bros. Lithium Property, Manitoba

On April 21, 2016, the Company entered into a property option agreement for the Thompson Bros. Lithium Property. In return for a 100% interest in the Property, the Company must make the following payments to the optionor:

- i) Cash payment of \$25,000 (paid) and issue to the optionor 50,000 common shares of the Company (issued at a value of \$25,000)
- ii) Cash payment of \$50,000 and 500,000 common shares of the Company (issued at a value of \$117,500) on or before April 21, 2017.
- iii) Cash payment of \$100,000 and 500,000 common shares of the Company on or before April 21, 2018.
- iv) Cash payment of \$100,000 and 500,000 common shares of the Company on or before April 21, 2019.
- v) Cash payment of \$100,000 and 500,000 common shares of the Company on or before April 21, 2020.
- vi) Cash payment of \$125,000 and 500,000 common shares of the Company on or before April 21, 2021

The Company must also incur \$1,500,000 of expenditures relating to the property on or before the 60-month anniversary of the effective date.

The property is subject to a 2% net smelter return (“NSR”) royalty, of which 1% may be repurchased by the Company, by making a cash payment of \$1,000,000.

On April 25, 2016, the Company entered into an agreement with Manitoba Minerals Pty Ltd (“MMPL”), a company incorporated under the laws of the Commonwealth of Australia whereby MMPL has the right to back-in to an 80% ownership of the Thompson Bros. Lithium Property by satisfying the following terms:

- i) Funding all of the Company’s cash obligations relating to the April 21, 2016 option agreement up to \$500,000;
- ii) Fund the work program expenditures required in the April 21, 2016 option agreement for a minimum of \$1,500,000 over 60 months, and
- iii) MMPL will acquire 300,000 common shares of the Company for \$150,000 (issued and received) and use such shares to meet the share obligation relating to the April 21, 2016 option agreement.

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5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Thompson Bros. Lithium Property, Manitoba

Subsequent to earning the 80%, but prior to completion of a Pre-Feasibility Study, MMPL has the right to acquire a further 15% interest holding in the Thompson Bros. Lithium Property from the Company for \$1,000,000. On April 12, 2017, the Company amended the option agreement to eliminate this option to acquire additional interest.

Zeolite and Juniper Creek Chabazite Zeolite Properties, British Columbia

On March 2, 2017, the Company entered into a property option agreement for the Zeolite and the Juniper Creek Chabazite Zeolite Properties for the following consideration:

- i) A cash payment of \$10,000 (paid);
- ii) 1,000,000 common shares (issued at a value of \$175,000); and
- iii) incur \$250,000 exploration expenditure within the first 12 months.

Z-1 Zeolite Property, British Columbia

On January 23, 2017, the Company entered into a property option agreement for the Z-1 Zeolite Property for the following consideration:

- i) Cash payment of \$20,000 (paid);
- ii) 2,000,000 common shares (issued at a value of \$430,000);
- iii) 2,000,000 common shares on or before that day which is 12 months from the closing date, and
- iv) incur \$500,000 of exploration expenditures within the first 12 months.

The Property is subject to a 2% NSR, 1% of which the Company may repurchase for cash consideration of \$1,000,000.

On February 8, 2017, the Company entered into a joint operating agreement for certain mineral interests located in the province of British Columbia. In consideration of its services as operator, the Company shall pay a monthly fee of \$5,500, until the later of the acquisition date or the end of any renewal term thereafter.

Elon Lithium Claims, Nevada

In September 2015, the Company acquired claims in Esmeralda County in the State of Nevada by issuing 500,000 common shares (issued at a value of \$50,000).

On February 26, 2016, the Company entered into an agreement to acquire additional claims in Esmeralda County in the State of Nevada for 350,000 common shares (issued at a value of \$52,500).

During the year ended April 30, 2017, the Company abandoned the Elon Lithium Claims and wrote off exploration and evaluation assets of \$112,399.

Whabouchi South Property, Quebec

On April 15, 2016, the Company entered into an option agreement to acquire a 100% interest in the Whabouchi South property and paid \$25,000 and issued 300,000 common shares (issued at a value of \$150,000) towards the option.

During the year ended April 30, 2017, the Company terminated the option agreement to acquire the Whabouchi South Property and wrote off exploration and evaluation assets of \$224,285.

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5. EXPLORATION AND EVALUATION ASSETS (cont'd...)Whabouchi West Property, Quebec

On May 17, 2016, the Company entered into an option agreement to acquire a 100% interest in the Whabouchi West Property and paid \$5,000 and issued 125,000 common shares (issued at a value of \$56,250);

During the year ended April 30, 2017, the Company terminated the option agreement to acquire the Whabouchi West Property and wrote off exploration and evaluation assets of \$61,250.

Hackett Claims, British Columbia

In 2013, the Company staked mineral tenures located in the Stikine district of northwestern British Columbia.

During the year ended April 30, 2017, the Company abandoned the Hackett Claims and wrote off exploration and evaluation assets of \$15,258.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of:

	July 31, 2017	April 30, 2017
Trade payables	\$ 44,937	\$ 255,524
Accrued liabilities	31,875	25,500
	<u>\$ 76,812</u>	<u>\$ 281,024</u>

During the year ended April 30, 2017, the Company wrote off outstanding accounts payable in the amount of \$20,693. During the year ended April 30, 2017, the Company recognized a gain in the amount of \$26,473 from the settlement of certain accounts payable.

7. LOAN PAYABLE

During the year ended April 30, 2016, the Company obtained a short-term loan in the principal amount of \$31,000 and recorded \$1,987 in interest expense. The loan was interest bearing at a rate of 10% per annum. The loan was unsecured and matured on August 31, 2016.

During the year ended April 30, 2017, the Company recorded \$2,587 in interest expense and repaid the loan.

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Authorized: unlimited common shares without par value

During the period ended July 31, 2017, the Company:

- i) completed a non-brokered private placement of 1,315,789 flow-through units at a price of \$0.19 per unit for gross proceeds of \$250,000, of which \$39,474 was allocated to the warrant component of the unit offering. Each flow-through unit is comprised of one flow-through common share and one half of one non-flow through share purchase warrant of the Company. Each warrant will entitle the holder to purchase one non-flow-through share at a price of \$0.25 per share until June 9, 2018. The Company paid issuance costs of \$20,000, issued 65,789 finder's shares (valued at \$10,526) and 65,789 finder's warrants (valued at \$9,400). Each finder's warrant will entitle the holder to purchase one share at a price of \$0.25 until June 9, 2019. A value of \$41,447 was attributed to the flow-through premium liability in connection with the financing.
- ii) issued 400,000 common shares upon exercise of options for gross proceeds of \$40,000, and accordingly, the Company relocated \$24,600 of share-based reserve to share capital.
- iii) issued 1,008,500 common shares upon exercise of warrants for gross proceeds of \$130,850, and accordingly, the Company relocated \$66,610 of share-based reserve to share capital.

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)

During the year ended April 30, 2017, the Company:

- i) issued 300,000 common shares at a value of \$150,000, pursuant to the acquisition of Whabouchi South property (Note 5).
- ii) completed the first tranche of a non-brokered flow-through private placement of 1,030,000 units at a price of \$0.50 per unit for gross proceeds of \$515,000. Each unit consists of one flow-through common share and one non-flow-through warrant of the Company. Each warrant will entitle the holder to acquire one non-flow-through share of the Company at a price of \$0.75 per share for a period of 12 months from the date of issuance. The Company paid a cash commission to the finders totalling \$38,800, issued 48,500 finder's shares (valued at \$24,250) and issued 48,500 finder's warrants (valued at \$17,600) exercisable for 12 months at \$0.75.
- iii) completed a non-brokered private placement of 50,000 common shares at a price of \$0.50 per share for gross proceeds of \$25,000 in relation to the Thompson Bros. Lithium Property acquisition (Note 5). The shares issued pursuant to the private placement were subject to four-month resale restriction that expired on September 28, 2016.
- iv) completed the second and final tranche of a non-brokered flow-through private placement of 585,000 units at a price of \$0.50 per unit for gross proceeds of \$292,500. Each unit consists of one flow-through common share and one non-flow-through share purchase warrant of the Company. Each warrant will entitle the holder to acquire one non-flow-through share of the Company at a price of \$0.75 per share for a period of 12 months from the date of issuance. The Company paid a cash commission to the finders totalling \$24,600, issued 29,250 finder's shares (valued at \$14,625) and issued 29,250 finder's warrants (valued at \$7,300) exercisable for 12 months at \$0.75. A value of \$29,250 was attributed to the flow-through premium liability in connection with the second tranche of the financing. The Company expended the flow-through proceeds and accordingly, recorded \$29,250 as other income during the year ended April 30, 2017.
- v) issued 265,000 common shares upon exercise of options for gross proceeds of \$62,500.
- vi) issued 164,800 common shares upon exercise of warrants for gross proceeds of \$82,400.
- vii) issued 125,000 common shares at a value of \$56,250, pursuant to the acquisition of Whabouchi West Property (Note 5).
- viii) completed a non-brokered private placement of 250,000 common shares at a price of \$0.50 per share for aggregate gross proceeds of \$125,000 in relation to the Thompson Bros. Lithium Property acquisition (Note 5).
- ix) completed a non-brokered private placement of 460,000 units at a price of \$0.50 per unit for gross proceeds of \$230,000 of which \$140,000 was for settlement of various debts. Each unit consisted of a common share and a share purchase warrant of the Company. The warrants are exercisable at \$0.60 until August 23, 2017. The Company paid share issuance costs of \$1,650 in cash.
- x) issued 150,000 common shares at a value of \$52,500, pursuant to the option agreement for the Buckingham Graphite Property (Note 5).

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)

- x) completed a non-brokered private placement of 12,000,000 units at a price of \$0.10 per unit for an aggregate gross proceeds of \$1,200,000. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.15 per warrant share until February 20, 2019. Share issuance costs of \$54,250 in cash and 536,000 finder's warrants with a value of \$87,400 were incurred. The finder's warrants are exercisable at \$0.10 for a period of 12 months from the closing date.
- xii) issued 2,000,000 common shares at a value of \$430,000, pursuant to the option agreement for the Z-1 Zeolite Property (Note 5).
- xiii) issued 1,000,000 common shares at a value of \$175,000, pursuant to for the option agreement for Zeolite and Juniper Creek Chabazite Zeolite Properties (Note 5).
- ix) issued 500,000 common shares at a value of \$117,500, pursuant to for the option agreement for Thompson Bros. Lithium Property (Note 5).

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting is determined by the Board of Directors.

During the period ended July 31, 2017, the Company:

- i) granted 400,000 stock options to consultants of the Company, exercisable at a price of \$0.10 per share for a period of one year from the date of grant. The estimated fair value of the options is \$24,600 or \$0.06 per option.
- ii) granted 400,000 stock options to directors and consultants of the Company, exercisable at a price of \$0.15 per share for a period of two years from the date of grant. The estimated fair value of the options is \$51,000 or \$0.13 per option.

During the year ended April 30, 2017, the Company:

- i) granted 325,000 stock options to directors and consultants of the Company, exercisable at a price of \$0.50 per share for a period of six months from the date of grant. The estimated fair value of the options is \$37,100 or \$0.11 per option.
- ii) granted 750,000 stock options to directors and consultants of the Company, exercisable at a price of \$0.15 per share for a period of two years from the date of grant. The estimated fair value of the options is \$74,300 or \$0.10 per option.
- iii) granted 730,000 stock options to directors and consultants of the Company, exercisable at a price of \$0.21 per share for a period of six months from the date of grant. The estimated fair value of the options is \$68,900 or \$0.09 per option.

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)

- iv) granted 455,000 stock options to directors and consultants of the Company, exercisable at a price of \$0.17 per share for a period of two years from the date of grant. The estimated fair value of the options is \$58,200 or \$0.13 per option.
- v) granted 350,000 stock options to directors and consultants of the Company, exercisable at a price of \$0.21 per share for a period of one year from the date of grant. The estimated fair value of the options is \$51,300 or \$0.15 per option.

A summary of the Company's stock option activity is as follows:

	Options	Weighted Average Exercise Price
Balance, April 30, 2016	866,500	\$ 0.59
Granted	2,610,000	0.22
Exercised	(265,000)	0.24
Expired	(856,000)	0.57
Balance, April 30, 2017	2,355,500	0.23
Granted	800,000	0.13
Exercised	(400,000)	0.10
Balance, July 31, 2017	2,755,500	\$ 0.22
Exercisable, July 31, 2017	2,755,500	\$ 0.22

As at July 31, 2017, the Company had the following stock options outstanding:

Options Outstanding	Exercise Price	Expiry Date
730,000	\$0.21	21-Aug-17*
95,000	0.50	2-Dec-17
100,000	0.50	4-Dec-17
22,500	1.00	12-Mar-18
350,000	0.21	21-Apr-18
33,000	0.70	29-Aug-18
5,000	0.50	22-Jan-19
15,000	0.60	26-Feb-19
550,000	0.15	1-Feb-19
455,000	0.17	28-Mar-19
400,000	0.15	10-Jul-19
<u>2,755,500</u>		

* expired subsequently

ASHBURTON VENTURES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended July 31:

	2017	2016
Risk-free interest rate	1.04%	-
Expected life of options	1.50 years	-
Expected annualized volatility	224.28%	-
Expected dividend rate	0.00%	-

Warrants

A summary of the Company's warrant activity is as follows:

	Warrants	Weighted Average Exercise Price
Balance, April 30, 2016	2,753,707	\$ 0.59
Granted	14,688,750	0.23
Exercised	(164,800)	0.50
Expired	<u>(2,093,907)</u>	0.50
Balance, April 30, 2017	15,183,750	0.26
Granted	723,684	0.25
Exercised	(1,008,500)	0.13
Expired	<u>(1,692,750)</u>	0.75
Balance, July 31, 2017	13,206,184	\$ 0.20

As at July 31, 2017, the Company had the following warrants outstanding:

Warrants Outstanding	Exercise Price	Expiry Date
460,000	\$0.60	23-Aug-17*
127,500	0.10	20-Feb-18
657,895	0.25	09-Jun-18
495,000	1.00	25-Jul-18
11,400,000	0.15	20-Feb-19
<u>65,789</u>	0.25	09-Jun-19
<u>13,206,184</u>		

* expired subsequently

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)

During the period ended July 31, 2017, the Company granted 65,789 (2016 – 777,550) agents' warrants. The estimated fair market value of the warrants is \$9,400 or \$0.14 per warrant (2016 - \$26,000 or \$0.03 per warrant).

The following weighted average assumptions were used for the Black-Scholes valuation of agents' warrants granted during the period ended July 31:

	2017	2016
Risk-free interest rate	0.74%	0.59%
Expected life of warrants	2.00 years	1.00 year
Expected annualized volatility	241.10%	185.58%
Expected dividend rate	0.00%	0.00%

9. RELATED PARTY TRANSACTIONS

The Company defines key management as officers and directors. For the period ended July 31, 2017, the Company had the following transactions with key management, being related parties:

- i) Paid or accrued management fees of \$25,500 (2016 - \$25,500) to a company owned by the Company's Chief Executive Officer ("CEO") for fees to directors and officers.
- ii) Paid or accrued administration costs, recorded as office expense, of \$18,000 (2016 - \$17,125) to a company owned by the Company's CEO.
- iii) Paid or accrued \$18,000 (2016 - \$20,050) to a director of the Company and a company in which the director is the CEO for consulting fees.
- iv) Granted a total of 200,000 stock options (2016 – Nil) to officers, and directors of the Company, of which the fair market value was estimated at \$25,500 (2016 - \$Nil) and was included in share-based compensation expense.

Included in prepaid expenses as at July 31, 2017 is \$4,774 (April 30, 2017 - \$3,524) paid to a company owned by the Company's CEO.

Included in accounts payable and accrued liabilities as at July 31, 2017 is \$1,918 (April 30, 2016 - \$117,827) owed to a company owned by the President, CEO and director.

10. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The capital for the Company was mainly from the issuance of common shares and short-term demand loans. There was no change in the Company's capital management strategy during the current period. The Company is not exposed to any externally imposed capital restrictions.

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11. FINANCIAL INSTRUMENTS AND RISKS

Fair values

The fair value of cash is measured under level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of commodity taxes receivable due from a federal government agency.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operating activities and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

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.

Interest rate risk

The Company has cash balances and interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

Foreign currency risk

The Company is exposed to nominal foreign currency risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings (loss) due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations may be significant.

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12. SEGMENTED INFORMATION

The Company's primary business activity is the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

		July 31, 2017		April 30, 2017
Exploration and evaluation assets				
Canada	\$	1,828,493	\$	1,847,977
Equipment				
Canada	\$	10,302	\$	10,844