

Condensed interim consolidated financial statements of

BQ Metals Corp.

Three and nine months ended September 30, 2017
and October 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim consolidated financial statements of BQ Metals Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these condensed interim consolidated financial statements.

BQ Metals Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	As at September 30, 2017	As at December 31, 2016
Assets		
Current assets		
Cash	\$ 206,298	\$ 488,599
Amounts receivable	57,385	5,909
Prepaid expenses	1,250	1,250
Total assets	\$ 264,933	\$ 495,758
Liabilities and equity		
Current liabilities		
Trade and other payables	\$ 302,619	\$ 50,735
Total liabilities	302,619	50,735
Equity (deficiency)		
Share capital (Note 3)	2,345,095	921,133
Share subscriptions received in advance (Note 3)	-	199,980
Equity reserve	324,218	324,218
Deficit	(2,706,999)	(1,000,308)
Total equity (deficiency)	(37,686)	445,023
Total liabilities and equity	\$ 264,933	\$ 495,758

Nature of operations and going concern (Note 1)

Approved by the Board of Directors and authorized for issue on November 20, 2017:

"Clive T. Johnson" Director

"Harry Pokrandt" Director

BQ Metals Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30, 2017 and October 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended		Nine months ended	
	September 30,	October 31,	September 30,	October 31,
	2017	2016	2017	2016
Expenses				
Consulting	\$ 30,000	\$ -	\$ 630,439	\$ -
Office and administration	3,269	25,515	12,853	32,444
Professional fees	3,585	6,677	982,774	26,046
Regulatory and transfer agent	2,055	1,975	46,709	6,348
Travel, meals and entertainment	-	-	46,901	-
	(38,909)	(34,167)	(1,719,676)	(64,838)
Finance income (expense)	658	-	3,673	(3,258)
Foreign exchange gain	133	-	1,752	-
Write-off of trade and other payables (Note 4)	-	-	7,560	-
	791	-	12,985	(3,258)
Net loss and comprehensive loss	\$ (38,118)	\$ (34,167)	\$(1,706,691)	\$ (68,096)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	56,798,577	32,798,577	55,122,106	29,845,245

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

BQ Metals Corp.

Condensed Interim Consolidated Statements of Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share capital		Share subscriptions received in advance	Obligation to issue shares	Equity reserve	Deficit	Total equity (deficiency)
	Shares issued	Amount					
At January 31, 2016	2,798,577	\$ 421,133	\$ -	\$ 20,000	\$ 179,083	\$ (750,483)	\$ (130,267)
Private placement	30,000,000	500,000	-	-	-	-	500,000
Net loss and comprehensive loss	-	-	-	-	-	(68,096)	(68,096)
At October 31, 2016	32,798,577	921,133	-	20,000	179,083	(818,579)	301,637
Obligation to issue shares settled in cash	-	-	-	(20,000)	-	-	(20,000)
Share subscriptions received in advance	-	-	199,980	-	-	-	199,980
Share-based compensation	-	-	-	-	145,135	-	145,135
Net loss and comprehensive loss	-	-	-	-	-	(181,729)	(181,729)
At December 31, 2016	32,798,577	921,133	199,980	-	324,218	(1,000,308)	445,023
Private placement	24,000,000	1,440,000	(199,980)	-	-	-	1,240,020
Share issue costs	-	(16,038)	-	-	-	-	(16,038)
Net loss and comprehensive loss	-	-	-	-	-	(1,706,691)	(1,706,691)
At September 30, 2017	56,798,577	\$ 2,345,095	\$ -	\$ -	\$ 324,218	\$ (2,706,999)	\$ (37,686)

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

BQ Metals Corp.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended September 30, 2017 and October 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

	Nine months ended September 30, 2017	Nine months ended October 31, 2016
Operating activities		
Net loss	\$ (1,706,691)	\$ (68,096)
Changes in non-cash working capital items:		
Amounts receivable	(51,476)	(1,960)
Trade and other payables	251,884	27,134
Cash used in operating activities	<u>(1,506,283)</u>	<u>(42,922)</u>
Financing activities		
Private placement	1,440,000	500,000
Share subscriptions received in advance	(199,980)	-
Share issue costs	(16,038)	-
Repayment of loan payable	-	(116,742)
Cash provided by financing activities	<u>1,223,982</u>	<u>383,258</u>
Increase (decrease) in cash	(282,301)	340,336
Cash, beginning of period	488,599	993
Cash, end of period	\$ 206,298	\$ 341,329

Interest of \$nil was paid during the nine months ended September 30, 2017 (nine months ended October 31, 2016: \$20,000).

BQ Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2017

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated on February 4, 2008 under the Business Corporations Act of the Province of British Columbia. The Company's head office address is 3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1. The registered and records office address is 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3.

In June 2017, the Company completed its name change from Miza Enterprises Inc. to BQ Metals Corp. In connection with the name change, the Company's trading symbol on the NEX board of the TSX Venture Exchange was changed to "BQ.H". In February 2017, the Company determined to change its financial year end from January 31 to December 31, with the transition year being February 1, 2016 to December 31, 2016. In January 2017, the Company completed a common share stock split on the basis of three new common shares for each one old common share. All common share and per common share amounts in these financial statements have been retroactively restated to reflect the stock split.

In March 2010, the Company completed its initial public offering and commenced trading on Tier 2 of the TSX Venture Exchange ("TSX-V") as a Capital Pool Company ("CPC") under the symbol PCL.P. As a CPC, the Company has no material commercial operations and no material assets other than cash. The Company did not complete its Qualifying Transaction within 24 months as required by the TSX-V and was subsequently transferred to NEX, a separate board of the TSX-V, on July 3, 2012. The Company remains a CPC and the principal business is the identification and evaluation of assets and to negotiate an acquisition of or participation in a business (the "Qualifying Transaction"). The Company intends to acquire exploration, development and production stage base metal projects with the goal of becoming a significant base metals company. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2017, the Company had a working capital deficit of \$37,686. The Company has incurred negative cash flows from operations, recorded a loss of \$1,706,691 for the nine months ended September 30, 2017, and has an accumulated deficit of \$2,706,999 as at September 30, 2017. The Company does not currently have a recurring source of revenue, other than interest income on its cash deposit and does not currently have sufficient financial resources to fund on-going operating expenditures and the Company's development plan. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The uncertainty of the Company's success in raising additional capital funding casts significant doubt on the Company's ability to continue as a going concern.

In May 2017, the Company announced it had reached an agreement to acquire an operating mine with a development asset. A number of conditions to closing which were required to have been met by July 31, 2017, had not been met, and the Company elected to terminate the transaction. The Company is continuing to evaluate potential assets in the natural resources sector with a focus on the acquisition of exploration, development, and/or production stage base metal opportunities.

2. BASIS OF PRESENTATION

(a) *Statement of compliance*

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting on a basis consistent with the accounting policies disclosed in the audited financial statements for the eleven-month period ended December 31, 2016.

BQ Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2017

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PRESENTATION (continued)

(a) *Statement of compliance (continued)*

These unaudited condensed interim consolidated financial statements should be read in conjunction with the most recently issued annual financial statements of the Company, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented as Note 3 to the financial statements for the eleven-month period ended December 31, 2016, and have been consistently applied in the preparation of these unaudited condensed interim consolidated financial statements.

(b) *Principles of consolidation*

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All intercompany balances and transactions are eliminated upon consolidation.

The Company has two subsidiaries incorporated in British Columbia, Canada, BQ Financeco Corp. and BQ Acquisition Corp. The functional currency of these entities is the Canadian dollar.

(c) *New standards and interpretations not yet adopted*

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

3. EQUITY

(a) *Authorized*

Unlimited common shares with no par value
Unlimited preferred shares with no par value

(b) *Issued and fully paid common shares*

In January 2017, the Company completed a common share stock split on the basis of three new common shares for each one old common share. All common share and common per share amounts in these financial statements have been retroactively restated to reflect the stock split.

During the nine months ended September 30, 2017, the Company closed a non-brokered private placement of 24,000,000 common shares at a price of \$0.06 per share for gross proceeds of \$1,440,000. Proceeds of \$199,980 relating to this non-brokered private placement were received during the period ended December 31, 2016. Cash share issue costs of \$16,038 were incurred in relation to the private placement.

During the nine months ended October 31, 2016, the Company closed a private placement of 30,000,000 common shares at a price of \$0.017 per share for proceeds of \$500,000.

As at September 30, 2017, 56,798,577 common shares were issued and outstanding (December 31, 2016: 32,798,577 shares).

BQ Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2017

(Expressed in Canadian dollars)

(Unaudited)

3. EQUITY (continued)

(c) Escrow shares

The Company entered into an escrow agreement with certain shareholders in December 2009. Shares will remain in escrow until the Company completes a Qualifying Transaction and then will be released over the course of 36 months.

As at September 30, 2017, 4,108,572 (December 31, 2016: 4,108,572) shares remained in escrow.

(d) Share options

The Company has adopted an incentive share option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with TSX-V requirements, grant non-transferable share options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options.

Following is a summary of changes in share options outstanding:

	Number of options	Weighted average exercise price
Balance, January 31, 2016	-	\$ -
Granted	3,270,000	0.06
Balance, December 31, 2016 and September 30, 2017	3,270,000	\$ 0.06

The following table summarizes information about share options outstanding at September 30, 2017:

Outstanding and exercisable	Exercise price	Expiry date
3,270,000	\$ 0.06	December 9, 2026

4. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

There was no key management personnel compensation during the nine months ended September 30, 2017 or October 31, 2016. During the nine months ended September 30, 2017, a former director of the Company agreed to forgive \$7,560 of trade and other payables owing to this former director, and accordingly the Company recorded this amount as a write-off of trade and other payables in the statement of loss and comprehensive loss. As at September 30, 2017, \$nil was due to this former director of the Company (December 31, 2016: \$10,862).

BQ Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2017

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(Unaudited)

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. Amounts receivable is comprised of GST refundable from the Canadian Government. The maximum exposure to credit risk is equal to the fair value or carrying value of these financial assets.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Historically, the Company's source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant funding from these sources. Management has concluded that the Company does not have adequate financial resources to settle obligations as at September 30, 2017, and will require additional funding to continue operations for the next twelve months (Note 1).

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company maintains Canadian and US dollar bank accounts in Canada. The Company is subject to gains and losses from fluctuations in the US dollar against the Canadian dollar.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to maintain a flexible capital structure which will allow it to pursue the completion of a Qualified Transaction in accordance with Policy 2.4 of the TSX-V. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2017.

BQ Metals Corp.

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(Expressed in Canadian dollars)

(Unaudited)

7. COMPARATIVE FIGURES

Certain comparative data have been reclassified to conform with the presentation of the current year. The Company has grouped together the comparative balances for certain items on the statement of financial position, expenses on the statement of loss and comprehensive loss, and items on the statement of cash flows. There is no net impact on the financial position, net loss, cash flows or loss per share in fiscal 2016 as a result of these reclassifications.