

SAVILLE RESOURCES INC.

Condensed Interim Financial Statements

For The Six Months Ended October 31, 2017

The accompanying unaudited condensed interim financial statements of Saville Resources Inc. for the six months ended October 31, 2017 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

(Unaudited - Expressed in Canadian Dollars)

Saville Resources Inc.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	October 31, 2017	April 30, 2017
Assets		
Current		
Cash	\$ 432,709	\$ 422
Taxes and other receivables (Note 5)	2,583	906
Share subscriptions receivables	219,000	-
Prepaid expenses	-	2,243
	654,292	3,571
Exploration and evaluation assets (Note 6)	326,890	326,890
	\$ 981,182	\$ 330,461
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 258,398	\$ 309,443
Equity		
Share capital (Note 7)	7,898,022	7,082,744
Contributed surplus (Note 8)	140,803	140,803
Deficit	(7,316,041)	(7,202,529)
	722,784	21,018
	\$ 981,182	\$ 330,461

The financial statements were approved by the Board of Directors on December 21, 2017 and were signed on its behalf by:

"Michael Hodge"
President, Director

"Charn Deol"
Director

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

Saville Resources Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended October 31,		Six Months Ended October 31,	
	2017	2016	2017	2016
Expenses				
Administrative fees (Note 11)	\$ 37,500	\$ -	\$ 65,000	\$ -
Advertising and travel expenses	477	1,783	7,647	1,929
Consulting fees (Note 9)	228	7,500	19,028	15,000
Professional fees (recovery)	(24,510)	8,700	1,663	16,525
Property investigation	297	-	5,697	-
Transfer agent and filing fees	6,586	8,710	14,104	13,834
Office and miscellaneous	285	28	373	2,043
	20,863	26,721	113,512	49,331
Other Items				
Interest income	-	5,999	-	11,998
Write-down of note receivable	-	(5,999)	-	(11,998)
Net Loss and Comprehensive Loss for the Period	20,863	26,721	113,512	49,331
Basic and Diluted Loss Per Share	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.01
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	19,466,714	5,178,382	9,719,331	5,178,382

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

Saville Resources Inc.

Condensed Interim Statements of Changes in Equity

For the six months ended October 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

	Number of shares*	Share capital	Contributed surplus	Deficit	Total
Balance, April 30, 2016	5,178,381	7,082,744	140,803	(7,048,080)	175,497
Net loss for the period	-	-	-	(49,331)	(49,331)
Balance, October 31, 2016	5,178,381	\$ 7,082,744	\$ 140,803	\$ (7,097,411)	\$ 126,136
	Number of shares*	Share capital	Contributed surplus	Deficit	Total
Balance, April 30, 2017	5,178,381	7,082,744	140,803	(7,202,529)	21,018
Shares issued for cash	14,288,333	857,300	-	-	857,300
Shares issuance costs	-	(42,022)	-	-	(42,022)
Net loss for the period	-	-	-	(113,512)	(113,512)
Balance, October 31, 2017	19,466,714	\$ 7,898,022	\$ 140,803	\$ (7,316,041)	\$ 722,784

*post-consolidated shares

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

Saville Resources Inc.
Condensed Interim Statements of Cash Flows
For the six months ended October 31, 2017 and 2016
(Unaudited - Expressed in Canadian Dollars)

	2017	2016
Operating Activities		
Net income (loss)	\$ (113,512)	\$ (49,331)
Items not involving cash		
Interest accrual	-	(11,998)
Write-down of note receivable	-	11,998
Changes in non-cash working capital		
Taxes and other receivable	(1,677)	2,347
Prepaid expenses	2,243	(3,552)
Share subscriptions receivable	(219,000)	-
Accounts payable and accrued liabilities	(51,045)	86,636
Cash Flows (Used in) Operating Activities	(382,991)	36,100
Investing Activities		
Exploration and evaluation costs	-	(31,458)
Cash Flows (Used in) Investing Activities	-	(31,458)
Financing Activities		
Shares issued for cash	857,300	-
Share issuance costs	(42,022)	-
Cash Flows (Used in) Financing Activities	815,278	-
Net Change in Cash and Cash Equivalents	432,287	4,642
Cash and Cash Equivalents, Beginning of Period	422	397
Cash and Cash Equivalents, End of Period	\$ 432,709	\$ 5,039
Supplemental Cash Flows Information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Shares issued for resource property interests	\$ -	\$ -

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

Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2017

Expressed in Canadian Dollars

(Unaudited – prepared by management)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Saville Resources Inc. (“Saville” or “the Company”) is a publicly listed company incorporated in British Columbia with limited liability under the legislation of the Province of British Columbia and its shares are listed on the TSX Venture Exchange under the symbol “SRE” and the Frankfurt Stock Exchange under the symbol “S0J”. The Company is principally engaged in the acquisition, exploration, development and mining of mineral properties.

The head office, principal address and registered and records office of the Company are located at 1450, 789 West Pender Street, Vancouver, BC, Canada, V6C 1H2.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its investment in the Bud Property contains mineral reserves that are economically recoverable. The Company’s continuing operations and the underlying value and recoverability of the amounts shown for the investment in the Bud Property is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the investment in the Bud Property, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the investment in the Bud Property.

2. GOING CONCERN

These financial statements were prepared on a going concern basis, under the historical cost convention. The Company’s ability to continue as a going concern is dependent upon the Company’s ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests and the attainment of profitable mining operations. Management is actively engaged in the review and due diligence of opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. The conditions described above may cast significant doubt as to the appropriateness of the use of the going concern assumption.

Management of the Company does not expect that cash flows for the Company’s operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of planned exploration and other programs. As at October 31, 2017 and April 30, 2017, the Company reported the following:

	October 31, 2017	April 30, 2017
Net loss for the period	\$113,512	\$154,449
Deficit	\$7,316,041	\$7,202,529
Working capital (deficit)	\$395,894	\$(305,872)

These factors raise substantial doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments, which could be material, to the carrying values and classification of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

3. BASIS OF PREPARATION

a) Statement of compliance

These statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”).

These financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale (“AFS”), and fair value through profit or loss (“FVTPL”). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2017

Expressed in Canadian Dollars

(Unaudited – prepared by management)

3. BASIS OF PREPARATION – Continued

b) Approval of the financial statements

The financial statements of the Company for the six months ended October 31, 2017 were authorized for issue in accordance with a resolution of the directors on December 21, 2017.

c) Significant accounting judgment, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The Company's assessment as to whether any impairment exists in the valuation of its assets, and
- The Company's recognition of deferred tax assets.

Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

- Going concern

Significant judgments used in the preparation of these financial statements include, but are not limited to those relating to the assessment of the Company's ability to continue as a going concern.

Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2017

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4. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the audited financial statements for the year ended April 30, 2017. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2017.

5. TAXES AND OTHER RECEIVABLES

On January 12, 2014, the Company issued a promissory note of \$280,000 to Roundtable Resources Ltd., a third party at an annual interest rate of 8.5%. The principal amount and interest were due on October 31, 2016. The promissory note is secured by mining and processing equipment.

As at April 30, 2016, the Company made a provision of \$312,396 to write off the note receivable principal and interest, given the consideration of the diminished likelihood of collecting the note receivable.

	October 31, 2017	April 30, 2017
GST receivable	\$ 2,583	\$ 906
Note receivable	312,396	312,396
Allowance account	(312,396)	(312,396)
Total	\$ 2,583	\$ 906

6. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's most significant property interests and related spending commitments:

	Munn Lake Property	Bud Property	Total
Balance, April 30, 2016	\$ -	\$ 316,890	\$ 316,890
Property costs			
Acquisition costs	-	10,000	10,000
Geological costs	11,905	-	11,905
Other costs	24,072	-	24,072
Total costs for the year	35,977	10,000	45,977
Impairment	(35,977)	-	(35,977)
Balance, April 30, 2017 & October 31, 2017	\$ -	\$ 326,890	\$ 326,890

Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2017

Expressed in Canadian Dollars

(Unaudited – prepared by management)

6. EXPLORATION AND EVALUATION ASSETS - Continued

Bud Property

The Company holds a 100% interest (the "Option") in the Bud mineral claims in the Greenwood Mining Division of British Columbia (the "Bud Property") subject to a 2.5% net smelter return ("NSR") royalty to a maximum of \$2,500,000. Should the Bud Property achieve commercial production, defined as the point after which 10,000 tonnes of material have been processed and for which NSR payments have been made and no later than April 4, 2012, the Company is required to pay a further \$75,000 and issue 20,000 post-consolidated common shares.

During the years ended April 2012, 2014 and 2015, the Company extended the payment date of the final option payment with consideration of \$15,000 and issued 30,000 post-consolidated common shares.

During the year ended April 30, 2017, the Company negotiated another one year extension to extend the due date to April 4, 2017. The Company has paid \$10,000 cash for the extension. The Company and the Optioner have mutually agreed to another extension of the balloon payment with the details to be determined at a later date.

Munn Lake Diamond Property

On August 24, 2016 the Company entered into a property option agreement (the "Agreement") to acquire the Munn Lake Diamond Property located in the Slave Province, Northwest Territories from DG Resource Management Ltd. ("DG Resource") and Zimtu Capital Corp. ("Zimtu"), whereby the Company can acquire an undivided 100% interest in and to 19 mineral claims covering more than 14,000 ha (34,000 acres). The Munn Lake Diamond Property is located approximately 35 km east of the Snap Lake Diamond Mine and 40 km northwest of the Gahcho Kué Mine, which is scheduled to begin commercial diamond production in early 2017. On April 28, 2017, the Company announced it would not be proceeding with the acquisition of the Munn Lake Diamond Property and impaired all costs.

7. SHARE CAPITAL

The Company completed a consolidation of its share capital on July 7, 2017, as approved at the 2016 Annual and Special Meeting of shareholders held on June 29, 2016. The consolidation of the common shares of the Company was done on the basis of five (5) pre-consolidation shares for one (1) post-consolidation share. The 25,891,911 common shares of the Company outstanding at April 30, 2017 were reduced to 5,178,381 common shares.

- (a) Authorized - Unlimited number without par value
- (b) Issued – As of October 31, 2017, there are 19,466,714 shares outstanding (April 30, 2017 – 5,178,381 post-consolidated shares)

On July 7, 2017, the Company completed a non-brokered private placement financing of 14,288,333 Units ("Units") of the Company at a price of \$0.06 per Unit (post-consolidation) for gross proceeds of \$857,300. Each Unit consists of one common share in the capital of the Company and one common share purchase warrant, with each warrant exercisable into one common share at a price of \$0.10 for a period of 24 months from closing. The terms of the warrants include an acceleration clause such that if the volume weighted average trading price of Saville's common share trading price on the TSX Venture Exchange is \$0.16 or higher for at least 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants upon 30 days notice to the holders of the Warrants. Finder's fees of \$16,656 were paid by the Company on a portion of the offering in accordance within the Exchange policies and guidelines. All of the securities issued under the offering were subject to a hold period expiring four months and one day from closing.

Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

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7. SHARE CAPITAL - continued

(c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	October 31, 2017		April 30, 2017	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
Outstanding, beginning of period	2,000,000	\$1.88	2,000,000	\$1.88
Granted	14,288,333	\$0.10	-	-
Outstanding, end of period	16,288,333	\$0.32	2,000,000	\$1.88

The following warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Warrants	
		October 31, 2017	April 30, 2017
October 3, 2019	\$1.25	1,000,000	1,000,000
October 3, 2019	\$2.50	1,000,000	1,000,000
July 7, 2019	\$0.10	14,288,333	-
		16,288,333	2,000,000
Weighted average outstanding life of warrants		1.71 years	3.43 years

8. SHARE-BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares of the Company, being 2,589,191, to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be for a maximum term of five years. Options granted to consultants not engaged in investor relations activities are granted for past services and vest immediately. Options granted to investor relations consultants vest according to TSX Venture Exchange policy.

As at October 31, 2017, there are nil (April 30, 2017 – nil) stock options outstanding.

9. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations.

Key Management Compensation	October 31, 2017	October 31, 2016
Consulting fees	\$ 30,840	\$ 15,000

Included in accounts payable is \$45,250 (April 30, 2017 - \$66,250) payable to directors of the Company. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2017

Expressed in Canadian Dollars

(Unaudited – prepared by management)

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. 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 future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended October 31, 2017 or the year ended April 30, 2017. The Company is not subject to externally imposed capital requirements.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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.

At October 31, 2017, the Company's financial instruments consist of cash, note receivable and accounts payable and accrued liabilities. The fair values of cash, note receivable and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments. The Company classifies its cash as FVTPL, note receivable as loans and receivables, accounts payable and accrued liabilities as other liabilities. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

The Company is exposed to a variety of financial instrument related risks. 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. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company ensures that there is sufficient working capital to fund its ongoing operating expenditures, after taking into account cash flows from operations and the Company's holdings of cash and short term investment. As at October 31, 2017, the Company had working capital of \$395,894 (April 30, 2017: \$305,872 deficiency).

11. COMMITMENTS

On June 1, 2017, the Company entered into a Management & Administration Agreement ("Agreement") with Zimtu Capital Corp. ("Zimtu"). Under the terms of the agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, over a period of 12 months at a rate of \$12,500 per month.

Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

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12. SUBSEQUENT EVENTS

- a. On December 8, 2017, the TSX Venture Exchange accepted the Company's debt settlement agreement with Zimtu Capital Corp. ("Zimtu"), a creditor of the Company, whereby the Company issued common shares of the Company at a deemed price of \$0.06 per share in full and final settlement of the amounts owing to Zimtu. Pursuant to the Settlement Agreement, \$219,000 in debts was settled and a total of 3,650,000 common shares were issued on December 15, 2017. The common shares will be subject to a four month and one day statutory hold period.
- b. On December 19, 2017, the Company closed the first tranche of a non-brokered private placement financing of 4,590,000 Units ("Units") of the Company at a price of \$0.06 per Unit for gross proceeds of \$275,400. Each Unit consists of one common share in the capital of the Company and one transferrable common purchase share warrant with each warrant exercisable into one common share at \$0.10 for a period of 24 months from closing. Finder's fees may be payable by the Company on a portion of the offering in accordance within the TSX Venture Exchange policies and guidelines. All of the securities issued under this offering will be subject to a hold period expiring four months and one day from closing.
- c. On November 27, 2017, the Company announced that it has entered into an agreement, pending exchange approval, with Zimtu Capital Corp. ("Zimtu") to acquire a 100% interest in and to the Covette Property, located in the James Bay Region of Quebec. The Covette Property is located approximately 190 km east of Raddison and 10 km north of the all-weather Trans-Taiga road and adjacent LG-3 transmission line. In exchange for 100% of the right, title, and interest in and to the Covette Property, consisting of 65 mineral claims, Saville shall pay the vendor \$350,000 in cash.