



Camrova Resources Inc.

Condensed Interim Consolidated Financial Statements - Unaudited

March 31, 2017

(expressed in United States dollars)

**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 condensed interim consolidated financial statements of Camrova Resources Inc. (the “Company”) as at March 31, 2017, and for the three months ended March 31, 2017, 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 Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

Camrova Resources Inc.

Consolidated Balance Sheets

As at March 31, 2017 and December 31, 2016

(expressed in United States dollars)

	March 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	222,099	66,433
Other current assets (note 3)	726,190	1,023,551
Current assets	948,289	1,089,984
Total assets	948,289	1,089,984
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities (note 6)	227,664	235,313
Current liabilities	227,664	235,313
Share capital	291,467,000	291,467,000
Contributed surplus	144,149,000	144,091,000
Deficit	(441,451,427)	(441,251,147)
Accumulated other comprehensive income	6,556,052	6,547,818
Total shareholders' equity (note 4)	720,625	854,671
Total liabilities and shareholders' equity	948,289	1,089,984

Nature of operations and going concern (note 1)

Guarantees and commitments (note 8)

Approved by the Board and authorized for issue on May 24, 2017.

/s/ C. Thomas Ogryzlo _____ Director

/s/ Wolf Seidler _____ Director

Camrova Resources Inc.

For the three months ended March 31, 2017 and 2016

(expressed in United States dollars)

Consolidated Statements of Operations - Unaudited

	Three months ended	
	2017	March 31 2016
Expenses		
General and administration (note 5)	186,862	192,372
Exploration and evaluation expenditures (note 1)	-	50,968
Loss before other items	(186,862)	(243,340)
Foreign exchange loss	(13,191)	(1,215,693)
Finance income	256	630
Finance expense	(483)	(784)
Loss before tax	(200,280)	(1,459,187)
Taxes	-	-
Loss for the period	(200,280)	(1,459,187)
Loss per share		
Basic and diluted	(0.01)	(0.09)
Weighted average number of shares outstanding		
Basic and diluted	17,010,653	17,010,653

Consolidated Statements of Comprehensive Loss - Unaudited

	Three months ended	
	2017	March 31, 2016
Loss for the period	(200,280)	(1,459,187)
Other comprehensive income		
Items that may be reclassified subsequent to profit or loss		
Currency translation adjustment	8,234	1,214,746
Total comprehensive loss	(192,046)	(244,441)

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

Camrova Resources Inc.

Consolidated Statements of Changes in Equity - Unaudited

(expressed in United States dollars)

	Share capital		Contributed surplus	Deficit	Accumulated other comprehensive income	Total
	Number	Amount				
Balance – January 1, 2016	17,010,653	291,467,000	144,084,000	(433,223,318)	5,537,657	7,865,339
Loss for the period	-	-	-	(1,459,187)	-	(1,459,187)
Currency translation adjustment	-	-	-	-	1,214,746	1,214,746
Stock-based compensation expense	-	-	4,000	-	-	4,000
Balance – March 31, 2016	17,010,653	291,467,000	144,088,000	(434,682,505)	6,752,403	7,624,898
Loss for the period	-	-	-	(6,568,642)	-	(6,568,642)
Currency translation adjustment	-	-	-	-	(204,585)	(204,585)
Stock-based compensation expense	-	-	3,000	-	-	3,000
Balance – December 31, 2016	17,010,653	291,467,000	144,091,000	(441,251,147)	6,547,818	854,671
Loss for the period	-	-	-	(200,280)	-	(200,280)
Currency translation adjustment	-	-	-	-	8,234	8,234
Stock-based compensation expense	-	-	58,000	-	-	58,000
Balance – March 31, 2017	17,010,653	291,467,000	144,149,000	(441,451,427)	6,556,052	720,625

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

Camrova Resources Inc.

Consolidated Statements of Cash flows - Unaudited For the three months ended March 31, 2017 and 2016

(expressed in United States dollars)

	Three months ended	
	2017	March 31, 2016
Cash flows from operating activities		
Loss for the period	(200,280)	(1,459,187)
Items not affecting cash		
Stock-based compensation expense	58,000	4,000
Unrealized foreign exchange	13,065	1,213,000
	(129,215)	(242,187)
Net changes in working capital balances		
Other current assets	292,127	168,289
Accounts payable and accrued liabilities	(9,543)	(169,555)
	153,369	(243,453)
Effect of exchange rate changes on cash and cash equivalents	2,297	9,746
Increase (decrease) in cash and cash equivalents	155,666	(233,707)
Cash and cash equivalents - beginning of period	66,433	650,684
Cash and cash equivalents - end of period	222,099	416,977

Supplemental cash flow information (note 9)

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

Camrova Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited March 31, 2017

(expressed in United States dollars, unless stated otherwise)

1 NATURE OF OPERATIONS AND GOING CONCERN

Camrova Resources Inc. (the “Company” or “Camrova”) was incorporated on July 15, 1985, under the Company Act of British Columbia. The Company is a reporting issuer in Canada and trades on the TSX Venture Exchange, the Frankfurt Stock Exchange and the OTC market. The Company is domiciled in Canada and its registered office is 600 – 890 West Pender Street, Vancouver, British Columbia, V6C 1J9.

The Company has a minority investment Minera y Metalúrgica del Boleo, S.A.P.I. de C.V. (“MMB”), which owns and operates a producing copper, cobalt and zinc sulphate mine (the “Boleo Project” or the “Project”) located near Santa Rosalia, Baja California Sur, Mexico. At March 31, 2017, the Company has 10% (December 31, 2016 – 10%) of the common shares of MMB with a reported carrying value of \$Nil (December 31, 2016 - \$Nil.). The Company’s equity ownership level is subject to potential dilution based on funding contributions to MMB made on behalf of the Company by Korea Resources Corporation (“KORES”). KORES is the ultimate controlling party and parent of MMB holding 74% (2016- 74%) of the common shares of MMB. The remaining 16% (2016 - 16%) ownership of MMB is held by a consortium of Korean companies, including KORES (“the Korean Consortium”). In addition, the Company holds a shareholder loan issued by MMB. As of December 31, 2016, management recognized an impairment of \$17,905,000 to bring the carrying value of the shareholder loan receivable to \$Nil. The carrying value of the shareholder loans in the Company’s consolidated balance sheet is \$Nil at March 31, 2017. The Company also has a \$10,000,000 refundable deposit liability arising from the sale of the 30% of the Company’s interest in MMB to the Korean Consortium in 2008. The terms of the refundable deposit liability were modified in the new shareholders’ agreement dated December 15, 2016. Management considered that any repayment of the refundable deposit liability is linked to the expected cash flows from the shareholder loan receivable and, based on its determination to fully impair the shareholder loan receivable, attributed a \$Nil fair value for the new financial liability. The carrying value of the refundable deposit liability in the Company’s consolidated balance sheet is \$Nil at March 31, 2017 (December 31, 2016- \$Nil). See the Company’s annual consolidated financial statements for the year ended December 31, 2016, for further information.

In addition, the Company is working to identify and is selectively evaluating alternative project opportunities (note 3).

Exploration and evaluation expenditures incurred in 2016 pertained to an option agreement whereby the Company could have earned up to an 80% interest in Cinto Colorado S. de R.L. de C.V. (“Cinto Colorado”), a private Mexican company. Cinto Colorado’s main asset is a surface lease, which entitles Cinto Colorado to process and/or sell tailings and slag now stored on the lands subject to the lease. The lands are adjacent to the existing Boleo Project of MMB. The Cinto option agreement expired on December 31, 2016, as the Company had not undertaken and delivered a NI 43-101 compliant feasibility study for the development of the tailings in accordance with the terms of the Option Agreement. The Company has incurred no expenditures pertaining to Cinto Colorado in 2017.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. The Company’s ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities from normal operations when they become due.

Camrova Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited

March 31, 2017

(expressed in United States dollars, unless stated otherwise)

1 NATURE OF OPERATIONS AND GOING CONCERN (continued)

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least but not limited to twelve months from the end of the reporting period. As at March 31, 2017, the Company had cash and cash equivalents of \$222,099, working capital of \$720,625, and an accumulated deficit of \$441,451,427. The Company had cash flows from operations of \$153,369 for the three-month period ended March 31, 2017. The Company expects to incur further losses in the development of its business. Based on the Company's cash flow forecasts, it will require additional financing within the next 12 months in order to meet its ongoing corporate overhead, and to pursue discretionary exploration and evaluation programs. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or will be able to raise additional future funding when required. These factors cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

2 BASIS OF PREPARATION AND NEW ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statement, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2016, which were prepared in accordance with IFRS as issued by the IASB.

Camrova Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited

March 31, 2017

(expressed in United States dollars, unless stated otherwise)

3 RECEIVABLES AND OTHER ASSETS

	March 31, 2017	December 31, 2016
Prepaid expenses	9,157	13,615
Receivable from insurance recoveries	-	8,232
Receivable from MMB (i)	664,000	1,000,000
Loan receivable (ii)	50,000	-
Other receivables, advances, and deposits	3,033	1,704
	726,190	1,023,551
Current balance	726,190	1,023,551
Long-term balance	-	-

- (i) These invoices pertain to services provided by the Company to MMB pursuant to a management service agreement, which was terminated by MMB during the first quarter of 2013. In December 2016, the parties agreed on a settlement agreement in respect of the cumulative margin on services provided to MMB since 2009 through 2012 amounting to approximately US\$1,000,000 payable in three equal instalments payable every three months commencing in January 2017. The Company received the first instalment in January 2017, and the second instalment in April 2017.
- (ii) In February 2017, the Company signed a letter of intent whereby the Company was to provide funding to restart an existing copper processing plant located in Copiapó, Chile. The mining rights and equipment are owned by third parties. Pursuant to the letter of intent, the Company advanced \$50,000 in the first quarter of 2017. A definitive investment agreement was not executed before April 30, 2017, and, in accordance with the terms of the amended letter of intent, the agreement expired. The \$50,000 advance is repayable to the Company, and it has no further commitments.

4 SHAREHOLDERS' EQUITY

a) Authorized share capital

The Company has been authorized to issue an unlimited number of common shares without par value.

b) Stock options

Details of the Company's stock option activity are as follows:

	Number of options	Weighted average exercise price (Cdn\$ per option)
Stock options outstanding – January 1, 2017	236,875	1.00
Granted	1,363,750	0.215
Stock options outstanding – March 31, 2017	1,600,625	0.33

Camrova Resources Inc.

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(expressed in United States dollars, unless stated otherwise)

4 SHAREHOLDERS' EQUITY (continued)

b) Stock options (continued)

The following table summarizes information about stock options outstanding and exercisable at March 31, 2017:

Range of prices (Cdn\$ per option)	Number of outstanding options	Weighted average years to expiry for outstanding options	Weighted average exercise price for outstanding options (Cdn\$)	Number of exercisable options	Weighted average exercise price for exercisable options (Cdn\$)
0.215	1,363,750	4.86	0.215	-	-
1.00	236,875	2.44	1.00	236,875	1.00
	1,600,625	4.50	0.33	236,875	1.00

The Company's stock option plan (the "Plan") allows the Company to grant stock options up to a maximum of 10% of the number of issued shares of the Company. Options granted under the Plan will vest with the right to exercise one-quarter of the options upon conclusion of every six months subsequent to the grant date, unless otherwise specified by the board of directors at the time the particular options are granted.

On February 8, 2017, the Company issued 1,363,750 stock options with an exercise price of Cdn\$0.215 per share. The fair value of the options was calculated using the Black-Scholes option-pricing model with the following assumptions:

	2017
Risk-free interest rate	1.01%
Dividend yield	0%
Expected volatility	140.05%
Expected stock option life	5 years
Weighted average fair value of stock options granted	Cdn \$0.19

Expected volatility is determined by reference to historically observed prices of commons shares.

Also on February 8, 2017, the Company approved the re-pricing of the 236,875 previously issued stock options at a new exercise price of Cdn\$0.215, subject to TSX Venture Exchange approval (and in the case of insiders of the Company, disinterested shareholder approval). Approval from the TSX Venture Exchange has been received subject to disinterested shareholder approval for insiders of the Company. The Company will seek approval from disinterested shareholders at the Company's next Annual General Meeting. Accordingly, the effect of the re-pricing of the stock options has not been reflected in the weighted average exercise price of stock options outstanding and exercisable as of March 31, 2017.

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(expressed in United States dollars, unless stated otherwise)

4 SHAREHOLDERS' EQUITY(continued)

b) Stock options (continued)

No stock options were granted in the three-month period ended March 31, 2016.

The total stock-based compensation recorded during the three month period ended March 31, 2017 was \$58,000 (2016 - \$4,000). This has been recognized in general and administration expense and contributed surplus.

5 GENERAL AND ADMINISTRATION EXPENSE

	Three months ended	
	2017	March 31, 2016
Wages, salaries, and management fees	85,437	99,390
Directors fees	7,807	20,936
Stock-based compensation (note 4(b))	58,000	4,000
Professional and consulting fees	13,608	11,270
Office and administration	16,296	50,557
Shareholders information	5,714	6,219
	186,862	192,372

6 RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel of the Company include executive officers and directors.

The compensation paid or payable to key management, or to companies in common with key management personnel, for services provided is shown below.

	Three months ended	
	2017	March 31, 2016
Short-term employee benefits	68,575	86,177
Stock-based compensation	44,180	3,158
	112,755	89,335

As at March 31, 2017, the accounts payable and accrued liabilities balance includes \$144,188 owing to key management personnel (December 31, 2016 - \$134,341).

Camrova Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited March 31, 2017

(expressed in United States dollars, unless stated otherwise)

7 SEGMENTED INFORMATION

The Company currently operates in one business segment, being the acquisition, exploration and development of resource properties.

8 GUARANTEES AND COMMITMENTS

In 2012, the Company entered into a lease assignment for offices no longer being used by the Company. In order to induce the landlord to approve the assignment, the Company provided an indemnity agreement to the landlord. The Company will remain liable during the balance of the lease term in the event the assignee does not fulfill its obligations to the landlord. The lease expires September 30, 2020.

At March 31, 2017, total future aggregate minimum lease payments over the remaining lease term by the assignee to the landlord covered by this indemnity agreement is \$1,786,176.

No amount has been accrued for this indemnity as of March 31, 2017, as management has assessed that it was not probable that the Company will be required to cover any amounts under the indemnity.

9 SUPPLEMENTAL CASH FLOW INFORMATION

	March 31, 2017	March 31, 2016
Cash in bank	45,318	239,114
Cash equivalents	176,781	177,863
	222,099	416,977