



Camrova Resources Inc.

Condensed Interim Consolidated Financial Statements - Unaudited

September 30, 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 September 30, 2017, and for the three and nine months ended September 30, 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 September 30, 2017 and December 31, 2016

(expressed in United States dollars)

	September 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	521,364	66,433
Other current assets (note 3)	69,651	1,023,551
Current assets	591,015	1,089,984
Total assets	591,015	1,089,984
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities (note 6)	128,675	235,313
Current liabilities	128,675	235,313
Share capital	291,467,000	291,467,000
Contributed surplus	144,277,000	144,091,000
Deficit	(441,874,364)	(441,251,147)
Accumulated other comprehensive income	6,592,704	6,547,818
Total shareholders' equity (note 4)	462,340	854,671
Total liabilities and shareholders' equity	591,015	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 November 27, 2017.

/s/ C. Thomas Ogryzlo _____ Director

/s/ Wolf Seidler _____ Director

Camrova Resources Inc.

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

(expressed in United States dollars)

Consolidated Statements of Operations - Unaudited

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Expenses				
General and administration (note 5)	177,252	135,704	572,913	512,370
Exploration and evaluation expenditures (note 1)	-	17,217	-	94,222
Loss before other items	(177,252)	(152,921)	(572,913)	(606,592)
Foreign exchange (loss) gain	(25,335)	147,933	(50,860)	(1,053,076)
Finance income	1,149	97	2,110	945
Finance expense	(556)	(549)	(1,554)	(1,859)
Loss before tax	(201,994)	(5,440)	(623,217)	(1,660,582)
Taxes	-	-	-	-
Loss for the period	(201,994)	(5,440)	(623,217)	(1,660,582)
Loss per share				
Basic and diluted	(0.01)	(0.00)	(0.04)	(0.10)
Weighted average number of shares outstanding				
Basic and diluted	17,010,653	17,010,653	17,010,653	17,010,653

Consolidated Statements of Comprehensive Loss - Unaudited

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Loss for the period	(201,994)	(5,440)	(623,217)	(1,660,582)
Other comprehensive income (loss)				
Items that may be reclassified subsequent to profit or loss				
Currency translation adjustment	23,306	(145,969)	44,886	1,056,580
Total comprehensive loss	(178,688)	(151,409)	(578,331)	(604,002)

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	-	-	-	(1,660,582)	-	(1,660,582)
Currency translation adjustment	-	-	-	-	1,056,580	1,056,580
Stock-based compensation expense	-	-	7,000	-	-	7,000
Balance – September 30, 2016	17,010,653	291,467,000	144,091,000	(434,883,900)	6,594,237	7,268,337
Loss for the period	-	-	-	(6,367,247)	-	(6,367,247)
Currency translation adjustment	-	-	-	-	(46,419)	(46,419)
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	-	-	-	(623,217)	-	(623,217)
Currency translation adjustment	-	-	-	-	44,886	44,886
Stock-based compensation expense	-	-	186,000	-	-	186,000
Balance – September 30, 2017	17,010,653	291,467,000	144,277,000	(441,874,364)	6,592,704	462,340

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 nine months ended September 30, 2017 and 2016

(expressed in United States dollars)

	Nine months ended September 30,	
	2017	2016
Cash flows from operating activities		
Loss for the period	(623,217)	(1,660,582)
Items not affecting cash		
Stock-based compensation expense	186,000	7,000
Unrealized foreign exchange	50,905	1,050,000
	(386,312)	(603,582)
Net changes in working capital balances		
Other current assets	971,249	217,038
Accounts payable and accrued liabilities	(118,582)	(179,758)
	466,355	(566,302)
Effect of exchange rate changes on cash and cash equivalents	(11,424)	9,580
Increase (decrease) in cash and cash equivalents	454,931	(556,722)
Cash and cash equivalents - beginning of period	66,433	650,684
Cash and cash equivalents - end of period	521,364	93,962

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 September 30, 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 in 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. Subsequent to the quarter ended September 30, 2017, the Company announced the reduction of its equity interest of the common shares in MMB from 10% (December 31, 2016 – 10%) to 7.3%. At September 30, 2017, the common shares of MMB had a carrying value of \$Nil (December 31, 2016 - \$Nil) in the Company’s consolidated balance sheet. 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 with its equity holding in MMB increasing to 76.7% from 74% (2016- 74%) with the dilution of Camrova’s equity interest in MMB from 10% to 7.3%. 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 September 30, 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 September 30, 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 Company allowed the Cinto option agreement to expire on December 31, 2016. The Company has incurred no expenditures pertaining to Cinto Colorado in 2017.

Camrova Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2017

(expressed in United States dollars, unless stated otherwise)

1 NATURE OF OPERATIONS AND GOING CONCERN (continued)

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.

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 September 30, 2017, the Company had cash and cash equivalents of \$521,364, working capital of \$462,340, and an accumulated deficit of \$441,874,364. The Company had cash flows from operations of \$466,355 for the nine-month period ended September 30, 2017. The Company expects to incur further losses in the development of its business. 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 continue its 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 September 30, 2017

(expressed in United States dollars, unless stated otherwise)

3 RECEIVABLES AND OTHER ASSETS

	September 30, 2017	December 31, 2016
Prepaid expenses	18,730	13,615
Receivable from insurance recoveries	-	8,232
Receivable from MMB (i)	-	1,000,000
Loan receivable (ii)	50,000	-
Other receivables, advances, and deposits	921	1,704
	69,651	1,023,551
Current balance	69,651	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, the second instalment in April 2017, and the final instalment in June 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 was repaid to the Company subsequent to September 30, 2017, and the Company has no further commitments under the agreement.

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	1,463,750	0.21
Stock options outstanding – September 30, 2017	1,700,625	0.21

Camrova Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2017

(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 September 30, 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\$)
0.075	100,000	4.88	0.075	-	-
0.215	1,600,625	4.00	0.215	918,750	0.215
	1,700,625	4.05	0.21	918,750	0.215

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.

During the nine-month period ended September 30, 2017, the Company granted 1,463,750 five-year stock options to employees, directors and consultants under the Plan, which vest with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date. No stock options were granted in the nine-month period ended September 30, 2016.

The fair value of the options granted during the nine-month period ended September 30, 2017 was calculated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2017
Risk-free interest rate	1.04%
Dividend yield	0%
Expected volatility	139.35%
Expected stock option life	5 years
Weighted average fair value of stock options granted	Cdn \$0.18

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

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). The TSX Venture Exchange approved the re-pricing subject to disinterested shareholder approval for insiders of the Company.

Camrova Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2017

(expressed in United States dollars, unless stated otherwise)

4 SHAREHOLDERS' EQUITY (continued)

b) Stock options (continued)

In July 2017, the Company received approval from disinterested shareholders at the Company's Annual General Meeting. As a result of re-pricing these options, the Company recorded an additional stock-based compensation expense of \$11,000 during the quarter ended September 30, 2017. The weighted average assumptions used for the Black-Scholes valuation of the re-priced options were risk-free interest rate of 0.87%, dividend yield of 0%, expected volatility of 116.96%, and expected stock option life of 2.6 years.

The total stock-based compensation recorded during the three and nine-month period ended September 30, 2017 was \$55,000 (2016 - \$2,000) and \$186,000 (2016 - \$7,000), respectively. This has been recognized in general and administration expense and contributed surplus.

5 GENERAL AND ADMINISTRATION EXPENSE

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Wages, salaries, and management fees	64,854	80,685	220,496	278,200
Directors fees	6,046	17,043	20,163	60,835
Stock-based compensation (note 4(b))	55,000	2,000	186,000	7,000
Professional and consulting fees	19,267	14,544	53,662	54,507
Office and administration	25,139	16,066	65,899	99,021
Shareholders information	6,946	5,366	26,693	12,807
	177,252	135,704	572,913	512,370

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.

Camrova Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2017

(expressed in United States dollars, unless stated otherwise)

6 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel (continued)

	Three months ended September 30,		Nine months ended, September 30,	
	2017	2016	2017	2016
Short-term employee benefits	51,892	78,494	179,740	253,326
Stock-based compensation	41,585	1,345	141,540	4,921
	93,477	79,839	321,280	258,247

As at September 30, 2017, the accounts payable and accrued liabilities balance includes \$97,857 owing to key management personnel (December 31, 2016 - \$134,341).

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 September 30, 2017, total future aggregate minimum lease payments over the remaining lease term by the assignee to the landlord covered by this indemnity agreement is \$1,632,897.

No amount has been accrued for this indemnity as of September 30, 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

	September 30, 2017	September 30, 2016
Cash in bank	53,985	30,128
Cash equivalents	467,379	63,834
	521,364	93,962