

NEW NADINA EXPLORATIONS LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**For the 2nd quarter
ended February 28, 2018 and February 28, 2017**

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

New Nadina Explorations Limited TSX-V-NNA

Box 130, 1215 Greenwood Street
Greenwood BC V0H 1J0
Phone (250) 445 2260, Fax (250) 445 2259
Email: nadina2005@shaw.ca

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), 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 New Nadina Explorations Limited (the "Company") have been prepared by and are the responsibility of the Company's management. The condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and reflect management's best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed consolidated interim financial statements prior to their submission to the Board of Directors for approval.

The accompanying condensed consolidated interim financial statements have not been reviewed by the Company's independent auditor.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	Note	February 28, 2018	August 31, 2017
ASSETS			
CURRENT ASSETS			
Cash		\$ 1,265,904	\$ 437,239
Receivables and prepaids		24,335	11,786
		<u>1,290,239</u>	<u>449,025</u>
Reclamation deposits	5	82,500	82,500
Property and equipment	6	54,397	60,441
Shares of marketable securities		147,991	366,675
Exploration and evaluation assets	7	38,415	38,415
		<u>\$ 1,613,542</u>	<u>\$ 997,056</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Payables and accruals		\$ 39,960	\$ 25,652
Due to related parties - current	9	-	2,415
- non-current	9	-	-
		<u>39,960</u>	<u>28,067</u>
EQUITY			
Share capital	8	14,923,092	13,682,779
Reserves	8(e)	2,698,021	2,671,332
Share subscriptions received (Note 14 in Aug 31, 2017 year end financial statement)		-	67,000
Deficit		(16,025,498)	(15,448,797)
Accumulated Other Comprehensive Income (Loss)	4	(22,033)	36,675
		<u>1,573,582</u>	<u>968,989</u>
		<u>\$ 1,613,542</u>	<u>\$ 997,056</u>

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on April 26, 2018.

On behalf of the Board

“Ellen Clements”

“David R. Huck”

Ellen Clements, Director

David R. Huck, Director

See accompanying notes to the financial statements

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	Note	For Three months ended February 28,		For Six months ended February 28,	
		2018	2017	2018	2017
Exploration expenses					
		\$	\$	\$	\$
Amortization		3,022	3,778	6,044	7,556
Assay analyses		17,730	1,228	17,730	1,297
Camp preparation		1,485	10	4,796	875
General exploration *		17,568	12,808	400,751	22,495
Geology		1,332	-	6,332	-
Property, assessment and taxes		(168)	1,441	798	2,375
		<u>40,969</u>	<u>19,265</u>	<u>436,451</u>	<u>34,598</u>
Gain on sale of subsidiary	2(a)		(1,332,833)	-	(1,332,833)
Net exploration expense	6(d)	<u>40,969</u>	<u>(1,313,568)</u>	<u>436,451</u>	<u>(1,298,235)</u>
Administration expenses					
Insurance		(1,443)	851	2,190	(1,701)
Interest		-	3,071	-	3,071
Legal, audit and accounting *		39,812	30,632	34,785	30,044
Licences, fees and other		10,256	(2,672)	13,354	6,262
Management and wages		9,875	7,796	17,509	14,808
Office rent and building expenses		3,600	4,800	7,200	8,400
Printing, stationery and office		8,325	9,676	8,352	9,766
Telephone		1,553	1,065	2,277	1,817
Transfer agent fees		4,551	2,247	5,874	3,743
Travel and promotion		4,278	264	4,278	496
Loss on sale of marketable securities		-	-	7,906	-
Less: Interest income and miscellaneous		(3,174)	(33)	(3,475)	(1,272)
		<u>77,633</u>	<u>57,696</u>	<u>100,250</u>	<u>75,434</u>
Transaction cost (Adjusted amount from previously reported **)	2(a)	-	-	-	-
(Income) Loss before income taxes		<u>118,602</u>	<u>(1,255,872)</u>	<u>536,701</u>	<u>(1,222,801)</u>
Net (income) loss and comprehensive loss for the period		\$ 118,602	\$ (1,255,872)	\$ 536,701	\$ (1,222,801)
Other Comprehensive Income (Loss)					
Unrealized gain (loss) on available for sale investments		(14,641)	-	(22,033)	-
Total Comprehensive Income (Loss)		(133,241)	-	(558,734)	-
Income (Loss) per share, basic and diluted		(0.01)	0.10	(0.04)	0.10
Weighted average common shares outstanding		15,054,433	12,647,433	15,054,433	12,647,433
Deficit, beginning of period		(15,906,896)	(16,639,398)	(15,488,797)	(16,701,327)
Net income (loss)		(118,602)	1,255,872	(536,701)	1,222,801
Deficit, end of period		(16,025,498)	(15,206,411)	(16,025,498)	(15,206,411)

See accompanying notes to financial statements.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share Capital	Accumulated Other Comprehensive Income (Loss)	Reserves	Shares allotted and unissued	Deficit	Total Equity
September 1, 2016 (unconsolidated)	12,647,433	\$ 13,682,779	-	\$ 2,602,732	\$ -	\$ (16,701,327)	\$ (415,816)
Gain (Loss) for the period	-	-	-	-	-	1,222,801	1,222,801
Adjustment for sale of subsidiary	-	-	-	-	-	272,115	272,115
February 28, 2017	12,647,433	\$ 13,682,779	-	\$ 2,602,732	\$ -	\$ (15,206,411)	\$1,079,100
September 1, 2016 (unconsolidated)	12,647,433	\$ 13,682,779	-	\$ 2,602,732	\$ -	\$ (16,701,327)	\$ (415,816)
Unrealized gain on marketable securities			36,675				36,675
Share-based compensation				68,600			68,600
Share subscriptions received					67,000		67,000
Gain (Loss) for the year						1,212,530	1,212,530
August 31, 2017	12,647,433	\$ 13,682,779	\$ 36,675	\$ 2,671,332	\$ 67,000	\$ (15,488,797)	\$ 968,989
September 1, 2017	12,647,433	\$ 13,682,779	\$36,675	\$ 2,671,332	\$ 67,000	\$ (15,488,797)	\$ 968,989
Change in market price of marketable securities			(58,708)				(58,708)
Warrants issued- change to reserves				26,689			26,689
Shares issued	2,407,000	1,240,313			(67,000)		1,173,313
Gain (Loss) for the period						(536,701)	(536,701)
February 28, 2018	15,054,433	\$ 14,923,092	\$(22,033)	\$ 2,698,021	\$ -	\$ (16,025,498)	11,573,582

See accompanying notes to the financial statements

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

Condensed Consolidated Interim Statement of Cash Flows

(Unaudited - Expressed in Canadian dollars)

	Note	For Three months ended February 28,		For Six months ended February 28,	
		2018	2017	2018	2017
Cash Flows from Operating Activities					
Gain (Loss) for the period		\$ (118,601)	1,255,872	\$ (536,701)	\$ 1,222,801
Add (Deduct): Items not involving cash		-	-	-	-
Gain on sale of subsidiary		-	(1,332,833)	-	(1,332,833)
Amortization	5	3,022	3,778	6,044	7,556
Loss on sale of marketable securities		-	-	7,906	-
		<u>(115,579)</u>	<u>(73,183)</u>	<u>(522,751)</u>	<u>(102,476)</u>
Changes in non-cash working capital items:					
Decrease (increase) in accounts receivable and prepaids		(3,348)	(4,489)	(12,548)	(7,594)
Increase (decrease) in amounts due to director(s)	8	(54,982)	(573,989)	(2,415)	(567,243)
Increase (decrease) in accounts payable		<u>(22,370)</u>	<u>15,864</u>	<u>14,308</u>	<u>(4,984)</u>
		<u>(196,279)</u>	<u>(635,797)</u>	<u>(523,406)</u>	<u>(682,297)</u>
Cash Flows from Financing Activities					
Proceeds from Issue of shares	7	923,072	-	1,173,313	-
Proceeds from warrants issued		26,689	-	26,689	-
Shares received in lieu of cash		-	(600,000)	-	(600,000)
		<u>949,761</u>	<u>(600,000)</u>	<u>1,200,002</u>	<u>(600,000)</u>
Investing Activities					
Proceeds from sale of marketable securities		-	-	152,069	-
Sale of subsidiary	2	-	1,515,000	-	1,610,000
Purchase of Equipment	5	-	-	-	-
Reclamation Deposits	4	-	-	-	-
		<u>-</u>	<u>915,000</u>	<u>152,069</u>	<u>1,010,000</u>
Increase (decrease) in Cash		753,482	279,203	828,665	327,703
Cash, and cash equivalents, beginning of period		512,422	56,741	437,239	8,241
Cash and cash equivalents, end of period		\$ 1,265,904	335,944	\$ 1,265,904	335,944
Cash and Term deposits represented by					
Cash on hand		1,265,904	335,944	1,265,904	335,944
Supplementary Schedule		-	-	-	-
Amortization of capital assets to mineral properties		3,022	3,778	3,022	9,556
Non-monetary transactions		-	-	-	-

See accompanying notes to financial statements.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Six months ended February 28, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and liquidation of liabilities and commitments in the normal course of business. The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements. Since inception, the Company has been successful in funding its operations and to date has net issued shares of 15,054,433 for net proceeds of \$14,923,092 averaging \$0.99 per share. The share price at February 28, 2018 was \$0.17 Cdn.

As at February 28, 2018, the Company currently has sufficient working capital to meet its administrative and overhead obligations. Financing is required to fund exploration programs. The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. To finance future activities, the Company will be required to enter into joint venture agreements and/or issue share capital through private placements, the exercise of options and warrants, and is actively seeking additional equity financing. There can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

These condensed consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at February 28, 2018, the Company had a current working capital of \$1,250,279 (August 31, 2017 – working capital \$420,958). The Company incurred a loss of \$536,701 for the six months ended February 28, 2018 (2017 – net income of \$1,222,801) and had an accumulated deficit of \$16,025,498 as at February 28, 2018 (August 31, 2017 - \$15,488,797).

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board, and its interpretations. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. Results for the period ended February 28, 2018, are not necessarily indicative of future results.

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale, which are stated at their fair value. In addition these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries:

<u>Subsidiary</u>	<u>Ownership Interest</u>	<u>Jurisdiction</u>	<u>Nature of Operations</u>
Kettle River Resources Ltd.	100%	Canada	Mining and exploration

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

(a) ACQUISITION OF KETTLE RIVER RESOURCES LTD.

On November 6, 2015, the Company acquired a 100% interest in Kettle River through completion of a Plan of Arrangement, approved by Kettle River shareholders on October 16, 2015 (Note 2(a)). The Company acquired all issued and outstanding common shares of Kettle River in exchange for 2,771,671 common shares of the Company, at a fair value of \$0.10 per share. The Company determined that the acquisition of Kettle River was an asset acquisition for accounting purposes pursuant to IFRS 2, Share-based Payment.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Six months ended February 28, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PRESENTATION – continued

(a) ACQUISITION OF KETTLE RIVER RESOURCES LTD. - continued

The purchase consideration has been assigned based on the relative fair values of the assets acquired and liabilities assumed as follows:

Purchase Price:	
Issuance of 27,716,711 New Nadina common shares	\$ 277,167
Total purchase price	\$ 277,167
Purchase Price Allocation	
Cash	\$ 721
Receivables	3,107
Prepaid expenses	1,906
Exploration and evaluation assets	3
Property and equipment	421
Reclamation deposits	5,000
Accounts payable and accrued liabilities	(24,199)
Due to related parties	(434,775)
Transaction costs (expensed) Note: adjusted from Q1	724,983
Total purchase price	\$ 277,167

The Company recognized a transaction expense in the amount of \$724,983 in connection with the Plan of Arrangement, which has been reflected in the consolidated statement of income (loss) and comprehensive income (loss). In addition, the Company recognized other costs associated with the Plan of Arrangement in the amount of \$85,225.

(b) Disposition of subsidiary, Kettle River Resources Ltd.

On February 15, 2017 the Company sold Kettle River to Golden Dawn pursuant to the terms of an LOI (Note 2(a)). The fair value of the consideration received and the assets derecognized were as follows:

Consideration received:	
Cash payments	\$ 1,010,000
Marketable securities (Note 4)	600,000
Total consideration received	\$ 1,610,000
Assets derecognized:	
Reclamation deposits (Note 5)	\$ 5,000
Exploration and evaluation assets (Note 7)	2
Other assets	50
Total assets derecognized	\$ 5,052
Gain on disposal of Kettle River	\$ 1,604,948

Other consideration

Kettle River's Greenwood Area Properties consist of mineral claims, crown grants and surface freehold titles in the historical Greenwood Mining District, British Columbia.

Pursuant to the terms of the LOI, the Company will retain a 1% net smelter return ("NSR") royalty in respect of the Greenwood Area Properties, with Golden Dawn having the ability to purchase ½% of the royalty for \$1,000,000 for a period up to five years and thereafter \$1,200,000 for a period up to 10 years.

The Non-Greenwood area properties (DHK Diamonds NWT properties and Saskatchewan Quarry) are retained by New Nadina.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Six months ended February 28, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

3. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”) using accounting policies consistent with those applied in the Company’s August 31, 2013 audited annual financial statements. The Company does not anticipate any significant impact from the application of recently adopted or upcoming standards, amendments or interpretations at this time.

Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

The following are critical judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- the determination that the Company will continue as a going concern for the next year

4. MARKETABLE SECURITIES

	2018	2017
Available for sale:		
Marketable securities		
Opening balance –cost	\$ 330,000	\$ -
Securities acquired	-	-
Securities disposition-cost	(159,976)	-
Other comprehensive gain (loss)	(22,033)	-
Closing balance –market price	<u>\$ 147,991</u>	<u>\$ -</u>

Marketable securities are accounted for using the fair value method.

On February 15, 2017, the Company acquired 2,222,250 common shares in Golden Dawn pursuant to the Kettle River disposition (Note 3(b)). The shares were valued at \$0.27 on acquisition and the Company sold no shares in the quarter ending February 28, 2018 for net proceeds of \$ Nil (August 31, 2017 - \$274,352 [net of commissions]), realizing a loss of \$ Nil (August 31, 2017 - \$4,352) on disposal.

As at February 28, 2018, the Company still holds 629,750 common shares of Golden Dawn with a fair value of \$147,991 (\$0.235 per share).

5. RECLAMATION DEPOSITS

Included in reclamation deposits of \$82,500 (2017 - \$87,500) are:

Description/Property	2018 Amounts	2017 Amount	Date of Deposit	Bond Description
MX-2-11 Silver Queen, BC	\$ 5,000	\$ 5,000	Dec 10, 1999	GIC Bond Security Agreement
	4,500	4,500	Dec 1, 2004	Cash deposit - MEM non interest bearing
	5,000	5,000	Aug 5, 2010	GIC Bond Security Agreement, Prov of BC
	5,000	5,000	Aug 8, 2012	GIC Bond Security Agreement, Prov of BC
	4,000	4,000	Dec 3, 2012	GIC Bond Security Agreement, Prov of BC
	<u>23,500</u>	23,500		
Monument, NWT	\$ 18,000	\$ 18,000	Apr 5, 2005	Gov’t of Northwest Territories, Dept of Lands
	41,000	41,000	Sept 26, 2012	Gov’t of Northwest Territories, Dept of Lands
	<u>\$ 59,000</u>	<u>\$ 59,000</u>		
MX-Gen-70 Greenwood Area, BC	\$ -	\$ 5,000	Dec, 8, 1992	GIC Bond Security Agreement, Prov. of BC
	<u>\$ -</u>	<u>\$ 5,000</u>		

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Six months ended February 28, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	New Nadina		Kettle River		Total
	Buildings	Camp Equipment	Office Equipment	Mining Equipment	
Depreciation rate	20%	20%	20%	30%	
Cost					
Balance as at August 31, 2016	\$ 148,032	\$ 74,959			\$ 222,991
Balance as February 28, 2017	\$ 148,032	\$ 74,959	\$ -	\$ -	\$ 222,991
Balance as at August 31, 2017	\$ 148,032	\$ 74,959	-	-	\$ 222,991
Balance as at February 28, 2018	\$ 148,032	\$ 74,959	\$ -	\$ -	\$ 222,991
Accumulated depreciation					
Balance as at August 31, 2016	\$ 92,328	\$ 55,111	-	-	\$ 147,439
Balance as at February 28, 2017	\$ 97,899	\$ 57,096	\$ -	\$ -	\$ 154,995
Balance as at August 31, 2017	\$ 103,469	\$ 59,081	\$ -	\$ -	\$ 162,550
Depreciation for the period	4,456	1,588	-	-	6,044
Balance as at February 28, 2018	\$ 107,925	\$ 60,669	\$ -	\$ -	\$ 168,594
Net book value					
Balance as at August 31, 2016	\$ 55,704	\$ 19,848	-	-	\$ 75,552
Balance as at February 28, 2017	\$ 50,133	\$ 17,863	\$ -	\$ -	\$ 67,997
Balance as at August 31, 2017	\$ 44,563	\$ 15,878			\$ 60,441
Balance as at February 28, 2018	\$ 40,107	\$ 14,290	\$ -	\$ -	\$ 54,397

7. MINERAL PROPERTIES

Costs to acquire the main property are capitalized and costs to acquire claims peripheral to the main property and exploration expenditures relating to mineral properties are written off as incurred. The carrying value of the Company's mineral properties does not reflect current or future value. Payments received for exploration rights on the Company's mineral properties are treated as cost recoveries and are credited to reduce the cost of exploration expenditures related to the mineral claims with any excess, on an aggregate basis, recorded as income. Option payments are recorded as incurred. Reclamation and site restoration costs including site maintenance and care-taking are expensed when incurred.

Acquisition Costs of Mineral properties	Note	2018	2017
Saskatchewan property (100% interest)	6(a)	\$ -	\$ -
Silver Queen property (100% interest)	6(b)	38,413	38,413
Monument Diamond property (57.49% interest)	6(c)	1	1
Greenwood Area (100% interest) sold Feb 15, 2017	6(d)	-	2
DHK Diamonds Inc. – NWT	6(e)	1	1
		\$ 38,415	\$ 38,417

(a) Saskatchewan property (100%)

The Company holds a 100% interest in a silica quarrying mineral lease which covers an area of 21.85 hectares and expires in December 2019.

(b) Silver Queen Property, British Columbia - Omineca Mining Division (100%)

The Company has a 100% interest in the Silver Queen Property, located in the Omineca Mining Division, of British Columbia. The property includes 2 surface title owned crown grants (40.47 ha), and 17 crown-granted (undersurface) titles and 45 tenure claims, covering 18,852 ha.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Six months ended February 28, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

7. MINERAL PROPERTIES – continued

(c) Monument Diamond property, Lac de Gras NWT (57.49%)

In May 2002, the Company acquired from DHK Diamonds Inc. three claims covering 3,081.7 ha and took them to lease in the Mackenzie District Mining Division, Northwest Territories. An Agreement provides for a 1% gross overriding royalty payable to each of DHK Diamonds Inc. and Royal Gold Inc. (Kennecott Canada Explorations Inc.). New Nadina is the operator and retains 57.49% with two other parties hold the remaining participating interest in the mineral claims.

In July 2017, the Company acquired 2 staked claims (500 ha) adjacent to northern boundary of the 3 mineral leases.

In September 2012, the Company was issued a five-year Type “A” Land Use Permit by the Wek’eezhii Land and Water Board which expired on September 3, 2017. The Company applied for a two year extension to the Land Use permit and in August 2017, this extension was granted moving the expiry to September 4, 2019.

(d) Greenwood Area Properties – owned by Kettle River

The Company owned (through its previously wholly-owned subsidiary, Kettle River) a 100% interest in certain properties comprising approximately 10,000 hectares of mineral tenure of which a portion includes Crown Granted Mineral Claims, some with surface freehold title in the Greenwood Mining Division of British Columbia.

On February 15, 2017, the Company completed sale of Kettle River, which included the Greenwood Area Properties (Note 3(b)).

(e) DHK Diamonds Inc. (Non Greenwood Area property acquired through Kettle River)

New Nadina has acquired 43.37% of DHK Diamonds Inc. (“DHK”) a private company incorporated and registered in the Northwest Territories, previously owned by Kettle River Resources Ltd.

Current DHK shareholder interest:

New Nadina Explorations Limited (formerly Kettle River Resources Ltd.) 43.37%

Dentonia Resources Ltd. 43.37%

Cosigo Resources Ltd. (formerly Horseshoe Gold Mining Inc.) 13.26%

DHK is a partner in the WO claim block, a diamond property in the Northwest Territories. As of August 31, 2017, DHK has a 10.3013% (August 31, 2016 - 10.3165%) contributing interest in the WO Joint Venture which is operated by Peregrine Diamonds Ltd. Should DHK reduce to less than a 4% participating interest, they revert to a 0.25% gross overriding royalty.

Operations and funding provisions of DHK are governed by a 1992 Shareholders’ Agreement where each shareholder appoints two directors to the board and certain activities require 75% board approval.

Through an agreement dated October 24, 2003 DHK holds a 1.0% gross overriding royalty on three leases within the Monument Diamond Property, located at Lac de Gras, Northwest Territories, explored for diamond potential, owned (57.49%) and operated by the Company (Note 7(c)).

Exploration Expenditures by Property For the period ended February 28, 2018	Saskatchewan property Note 5(a)	Silver Queen Property Note 5(b)	Monument Diamond property Note 5 (c)	DHK Diamonds properties Note 5(e)	Total
Assay analysis	-	17,730	-	-	17,730
Camp preparation	-	4,796	-	-	4,796
Depreciation	-	6,044	-	-	6,044
General exploration	38	400,708	4	-	400,751
Geology	-	6,332	-	-	6,332
Property, assessment and taxes	206	591	-	-	798
Technical reports	-	-	-	-	-
	\$ 244	\$ 436,201	\$ 4	\$ -	\$ 436,451
Less: Reimbursement (Contributions) from participants	-	-	-	-	-
Less: Government assistance - BCMETC	-	-	-	-	-
Net Exploration	\$ 244	\$ 436,201	\$ 4	\$ -	\$ 436,451

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Six months ended February 28, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

7. MINERAL PROPERTIES – continued

Exploration Expenditures by Property For the period ended February 28, 2017	Saskatchewan property Note 5(a)	Silver Queen Property Note 5(b)	Monument Diamond property Note 5©	Greenwood area properties Note 5(d)	DHK Diamonds properties Note 5(c)	Total
Assay analysis	-	1,297	-	-	-	\$ 1,297
Camp preparation	-	875	-	-	-	875
Depreciation	-	7,556	-	-	-	7,556
Drilling	-	-	-	-	-	-
General exploration	195	16,517	-	5,716	67	22,495
Geology	-	-	-	-	-	-
Property, assessment and taxes	108	1,690	-	577	-	2,375
Technical reports	-	-	-	-	-	-
	<u>\$ 303</u>	<u>\$ 27,935</u>	<u>\$ -</u>	<u>\$ 6,293</u>	<u>\$ 67</u>	<u>\$ 34,598</u>
Less: Reimbursement (Contributions) from participants	-	-	-	-	-	-
Net Exploration	\$ 303	\$ 27,935	\$ -	\$ 6,293	\$ 67	\$ 34,598

8. SHARE CAPITAL

- a) **Authorized:** unlimited common shares without par value
b) **Issued and fully paid:** Total shares issued to February 28, 2017 – 12,647,433

There were no shares issued during the year ended August 31, 2017.

	<u>Shares issued</u>
Issued Shares as at September 1, 2016	12,647,433
Issued Shares as at August 31, 2017	<u>12,647,433</u>
for Private Placement at \$0.08 (a)	1,287,500
For options exercised at \$0.09 (b)	575,000
For options exercised at \$1.00 (b)	25,000
For warrants exercised at \$0.12 (c)	225,000
for Private Placement at \$3.80 (d)	150,000
for Private Placement at \$3.75 (d)	<u>144,500</u>
Issued Shares as at February 28, 2018	<u>15,054,433</u>

During the current period shares were issued for the following:

- a) Completed a private placement whereby gross proceeds of \$103,000 were raised through the issuance of 1,287,500 units at a price of \$0.08 per unit. Each unit consists of one non-flow-through common share and one share purchase warrant. Each warrant is exercisable into an additional non-flow-through common share at a price of \$0.12 for a period of 5 years from grant.
- b) Issued 600,000 common shares pursuant to the exercise of stock options for gross proceeds of \$76,750.
- c) Issued 225,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$27,000.
- d) Announced (NR Nov 13, 2017) and completed a private placement (NR Dec 13, 2017) whereby the Company raised gross proceeds of \$1,111,875 through the issuance of 150,000 flow-through common shares (the “FT shares”) at a price of \$3.80 per FT share and 144,500 non-flow-through units (the “NFT units”) at a price of \$3.75 per NFT unit. Each NFT unit is comprised of one non-flow-through common share and one half share purchase warrant. Each whole warrant is exercisable into an additional non-flow-through common share at a price of \$4.25 for a period of 2 years from grant.

In connection with the issuance of the FT shares, the Company issued 9,001 broker warrants with each broker warrant being exercisable into a NFT share at a price of \$3.80 for a period of 2 years from issuance and paid a cash commission of \$34,200.

Finders’ fees of \$15,413 were paid in connection with the NFT unit portion of the financing.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Six months ended February 28, 2018 and 2017

(Unaudited – Expressed in Canadian dollars)

8. SHARE CAPITAL – continued

b) Issued and fully paid: - continued

During the period ending February 28, 2015, 27,716,711 common shares were issued at a deemed value of \$0.01 whereby New Nadina acquired a 100% ownership interest in Kettle River Resources Ltd. This value, based on the closing price (TSX-V) of New Nadina common shares on August 18, 2015, was the value when Kettle River shareholders exchanged their shares for those of New Nadina.

Announced (NR March 4, 2016) the Board of Directors and TSX approved a share consolidation on a basis of ten (10) old shares (112,203,279) for one (1) new share resulting in a total of 11,220,433 shares issued.

Announced (NR April 28, 2016) the company entered into Shares for Debt agreements with creditors to reduce \$142,700 debt by issuing 1,427,000 shares at a price of \$0.10 per share. Approval was received from the TSX on June 1, 2016 and shares issued June 24, 2016.

c) Share purchase warrants:

During the current period 1,368,751 warrants were issued (NR Oct 27, 2017, NR Nov 13, 2017, NR Dec 4, 2017 and NR Dec 13, 2017) with a non-brokered Private Placement. Each warrant is exercisable into an additional non-flow-through common share at a price of \$0.12 for a period of 5 years from grant.

	February 28, 2018		February 28, 2017	
	Number of Warrants	Weighted Price \$	Number of Warrants	Weighted Price \$
Opening balance	-	-	-	-
Granted	1,287,500	0.12	-	-
Granted	9,001	3.80	-	-
Granted	72,250	4.25	-	-
Expired	-	-	-	-
Exercised	(225,000)	0.12	-	-
Closing balance	1,143,751	0.41	-	-
Weighted average years to expiry	4.37		-	

d) Share purchase options:

The Company has established a share purchase option plan whereby the Board of Directors may from time to time grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date.

The continuity of share purchase options is as follows:

	February 28, 2018		February 28, 2017	
	Number of Options	Weighted Price \$	Number of Options	Weighted Price \$
Opening balance	250,000	1.00	465,000	1.22
Granted	775,000	0.09	-	-
Expired	(225,000)	1.00	(215,000)	1.50
Exercised	(575,000)	0.09	-	-
Exercised	(25,000)	1.00	-	-
Closing balance	200,000	1.00	250,000	1.00
Weighted average years to expiry	4.28		0.96	

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Six months ended February 28, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL – continued

d) Share purchase options: - continued

Announced (NR June 12, 2017) the Company granted 775,000 stock options to Directors and employees of the Company under its incentive stock option plan. There are currently 200,000 unexercised options, exercisable at \$0.09 cents per share for a period of five years that expire on June 11, 2022.

<u>OPTIONS:</u>	<u>GRANTED</u>	<u>EXPIRY DATE</u>	<u>EXERCISE PRICE</u>
	250,000	February 14, 2018	\$1.00
Expired	<u>(250,000)</u>		
Total:	0		

At February 28, 2018 there were 225,000 granted options at exercise price of \$1.00 expired Feb 14, 2018. These were re-priced as per the March 4, 2016 share consolidation on a basis of ten (10) old shares for one (1) new share.

e) Reserves

Reserve includes items recognized as stock-based compensation expense and the fair value of warrants issued until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options and warrants expire unexercised, the amount recorded is transferred to deficit.

9. RELATED PARTY TRANSACTIONS

As at February 28, 2018 amount owing to directors and related was \$ Nil (2017 - \$9,246).

As at February 28, 2018 a loan balance of \$ Nil (2017 - \$ Nil), assumed from Kettle River, owing to the President of the Company.

As of February 28, 2018 there is a loan balance of \$ Nil (2017 - \$ Nil) owing to the President of the Company for costs related to the Plan of Arrangement.

For the period ended February 28th the Company incurred the following expenses with related parties:

	<u>2018</u>	<u>2017</u>
Charged by the President's private company, since April 1, 2015, office rent for administrative and exploration use	\$ 7,200	\$ 7,200
Charged by the President's private company as project operator for exploration services including equipment use and rental	51,930	-
Charged by directors for geological consulting services and management	3,000	3,000
Total	<u>\$ 62,130</u>	<u>\$ 10,200</u>

The above transactions have been recorded at their exchange amount, which is the amount of consideration agreed upon by the related parties.

10. SEGMENTED INFORMATION

No segmented information is presented because the Company is solely involved in mineral exploration.

11. SUBSEQUENT EVENTS

There were no significant subsequent events for the period ended February 28, 2018.