

NEW NADINA EXPLORATIONS LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**For the 3rd quarter
ended May 31, 2017 and May 31, 2016**

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

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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	May 31, 2017	August 31, 2016
ASSETS			
CURRENT ASSETS			
Cash		\$ 248,551	\$ 8,241
Receivables and prepaids		<u>11,569</u>	<u>7,618</u>
		260,120	15,859
Reclamation deposits	5	82,500	87,500
Property and equipment	6	64,219	75,552
Shares of marketable securities		633,341	-
Exploration and evaluation assets	7	<u>38,415</u>	<u>38,417</u>
		\$ 1,078,595	\$ 217,328
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Payables and accruals		\$ 47,622	\$ 56,655
Due to related parties - current	9	11,275	164,589
- non-current	9	<u>-</u>	<u>411,900</u>
		58,897	633,144
EQUITY			
Share capital	8	13,682,779	13,682,779
Reserves	8(e)	2,602,732	2,602,732
Deficit		(15,299,154)	(16,701,327)
Accumulated Other Comprehensive Income	4	<u>33,341</u>	<u>-</u>
		1,019,698	(415,816)
		\$ 1,078,595	\$ 217,328

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on July 28, 2017.

On behalf of the Board

"Ellen Clements"

"John Jewitt"

Ellen Clements, Director

John Jewitt, 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		For Nine months ended	
		2017	May 31, 2016	2017	May 31, 2016
Exploration expenses		\$	\$	\$	\$
Amortization		3,777	4,730	11,333	14,192
Assay analyses		1,439	-	2,736	1,599
Camp preparation		2,770	1,627	3,645	2,540
General exploration *		58,272	7,575	80,767	32,669
Geology		9,067	4,160	9,067	4,160
Property, assessment and taxes		8,727	6,265	11,102	11,293
		<u>84,052</u>	<u>24,357</u>	<u>118,650</u>	<u>66,453</u>
Less: Government assistance		(14,304)	(32,646)	(14,304)	(32,646)
Less: Contribution from participants		(6,037)	(4,387)	(6,037)	(4,387)
Gain on sale of subsidiary	2(a)	-	-	(1,332,833)	-
Net exploration expense	7(d)	<u>63,711</u>	<u>(12,676)</u>	<u>(1,234,524)</u>	<u>29,420</u>
Administration expenses					
Amortization		-	19	-	63
Insurance		5,777	1,266	4,076	2,955
Interest		-	-	3,071	-
Legal, audit and accounting *		6,463	8,992	36,507	22,006
Licences, fees and other		1,616	7,406	7,878	12,215
Management and wages		7,362	8,024	22,170	27,438
Office rent and building expenses		2,400	3,373	10,800	11,098
Printing, stationery and office		5,974	1,638	15,740	9,513
Cost of acquisition of subsidiary		-	-	-	85,289
Telephone		1,381	630	3,198	4,220
Transfer agent fees		(1,239)	13,997	2,504	18,779
Travel and promotion		-	527	496	2,914
Less: Interest income and miscellaneous		(702)	(602)	(1,974)	(3,201)
		<u>29,032</u>	<u>45,270</u>	<u>104,466</u>	<u>193,289</u>
Transaction cost (Adjusted amount from previously reported **)	2(a)	-	-	-	724,983
(Income) Loss before income taxes					
Net (income) loss for the period		\$ 92,743	\$ 32,594	\$ (1,130,058)	\$ 947,692
Other Comprehensive Income (Loss)					
Unrealized gain on available for sale investments (Note 4)		33,341	-	33,341	-
Total Comprehensive Gain (Loss) for the period		<u>(59,402)</u>	<u>-</u>	<u>1,163,399</u>	<u>-</u>
Income (Loss) per share, basic and diluted		<u>(0.00)</u>	0.00	<u>0.09</u>	<u>0.00</u>
Weighted average common shares outstanding		<u>12,647,433</u>	11,220,433	<u>12,647,433</u>	11,220,433
Deficit, beginning of period (adjusted for unconsolidated amounts)		\$ (15,206,411)	(16,605,466)	\$ (16,701,327)	\$ (15,690,368)
Adjustments for Kettle River Reallocation of deposit to disposition on sale of subsidiary		-	-	272,115	(724,983)
Net income (loss)		<u>(92,743)</u>	<u>(32,594)</u>	<u>1,130,058</u>	<u>(222,709)</u>
Deficit, end of period		\$ <u>(15,299,154)</u>	<u>(16,638,060)</u>	\$ <u>(15,299,154)</u>	\$ <u>(16,638,060)</u>

* Legal fees related to property expense reallocated from Administration to Exploration.

** Transaction cost adjusted from November 30, 2015 report – see Note 2 (a)

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 Compre- hensive Income	Reserves	Shares allotted and unissued	Deficit	Total Equity
September 1, 2014	8,448,657	\$ 13,262,912		\$ 2,602,732	\$ -	\$ (15,500,565)	\$ 365,079
Loss for the year	-	-		-	-	(189,803)	(189,803)
August 31, 2015	8,448,657	\$ 13,262,912	-	\$ 2,602,732	\$ -	\$ (15,690,368)	\$ 175,276
September 1, 2015	8,448,657	\$ 13,262,912		\$ 2,602,732	\$ -	\$ (15,690,368)	\$ 175,276
Shares issued for asset acquisition (Note 2)	2,771,671	277,167		-	-	-	277,167
March 4, 2016 Share consolidation 10 to 1							
Pre consolidation total	112,203,279						
Post consolidation total	11,220,433						
Gain (Loss) for the period	-	-		-	-	(947,692)	(947,692)
May 31, 2016	11,220,328	\$ 13,540,079	-	\$ 2,602,732	\$ -	\$ (16,638,060)	\$ (495,249)
September 1, 2015	8,448,657	\$ 13,262,912		\$ 2,602,732	\$ -	\$ (15,690,368)	\$ 175,276
Shares issued for asset acquisition	2,771,671	277,167		-	-	-	277,167
Shares issued for debt	1,427,000	142,700		-	-	-	142,700
Loss for the year	-	-		-	-	(1,010,959)	(1,010,959)
August 31, 2016	12,647,433	\$ 13,682,779	-	\$ 2,602,732	\$ -	\$ (16,701,327)	\$ (415,816)
September 1, 2016 (unconsolidated)	12,647,433	\$ 13,682,779	-	\$ 2,602,732	\$ -	\$ (16,701,327)	\$ (415,816)
Unrealized gain on available for sale investments			\$ 33,341				33,341
Gain (Loss) for the period	-	-	-	-	-	1,130,058	1,130,058
Adjustment for sale of subsidiary	-	-	-	-	-	272,115	272,115
May 31, 2017	12,647,433	\$ 13,682,779	\$ 33,341	\$ 2,602,732	\$ -	\$ (15,299,154)	\$ 1,019,698

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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 May 31,		For Nine months ended May 31,	
		2017	2016	2017	2016
Cash Flows from Operating Activities					
Gain (Loss) for the period		\$ (92,742)	\$ (32,594)	\$ 1,130,058	\$ (947,692)
Add (Deduct): Items not involving cash			-		-
Gain on sale of subsidiary		-	-	(1,332,833)	
Amortization	6	3,777	4,749	11,333	14,255
Reallocate deposit to capital gain			-		-
		<u>(88,965)</u>	<u>(27,845)</u>	<u>(191,442)</u>	<u>(933,437)</u>
Changes in non-cash working capital items:					
Decrease (increase) in accounts receivable and prepaids		3,592	730	(3,951)	(9,659)
Increase (decrease) in amounts due to director(s)	9	2,029	10,732	(565,264)	608,238
Increase (decrease) in accounts payable		(4,049)	41,484	(9,033)	76,725
Due to Kettle River Resources Ltd.	9		-	-	(4,000)
		<u>(87,393)</u>	<u>25,101</u>	<u>(769,690)</u>	<u>(262,134)</u>
Cash Flows from Financing Activities					
Proceeds from Issue of shares	8		-		-
Shares received in lieu of cash		-	-	(600,000)	277,167
				<u>(600,000)</u>	
Investing Activities					
Sale of subsidiary	2	-	-	1,610,000	-
Purchase of Equipment	6		-		(459)
Reclamation Deposits	5		-		(5,000)
		<u>-</u>	<u>-</u>	<u>1,010,000</u>	<u>271,708</u>
Increase (decrease) in Cash		(87,393)	25,101	240,310	9,574
Cash, and cash equivalents, beginning of period		335,944	6,162	8,241	21,689
Cash and cash equivalents, end of period		\$ 248,551	\$ 31,263	\$ 248,551	\$ 31,263
Cash and Term deposits represented by					
Cash on hand		248,551	31,263	248,551	31,263
Supplementary Schedule			+-		-
Amortization of capital assets to mineral properties	6	3,777	4,723	11,333	14,166
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 Nine months ended May 31, 2017 and 2016

(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 12,647,433 for net proceeds of \$13,682,779 averaging \$1.08 per share. The share price at May 31, 2017 was \$0.105 Cdn.

As at May 31, 2017, 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 May 31, 2017, the Company had a current working capital of \$201,223 (August 31, 2016 – working capital deficiency \$205,385). The Company earned net income of \$1,130,058 for the nine months ended May 31, 2017 (2016 – net loss of \$947,692) and had an accumulated deficit of \$15,299,154 as at May 31, 2017 (August 31, 2016 - \$16,701,327).

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 May 31, 2017, 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:

Subsidiary	Ownership Interest	Jurisdiction	Nature of Operations
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.

The Company on November 6, 2015, acquired all of the issued and outstanding common shares (100% interest) in Kettle River Resources Ltd. ("Kettle River") which consummated the July 20, 2015 'Plan of Arrangement' ("POA") approved by Kettle River shareholders on October 16, 2015. Kettle River shareholders received 27,716,711 common shares of New Nadina.

Management has determined that this acquisition, for accounting purposes, is an asset acquisition and consistent with reporting under IFRS standards.

The aggregate amount of the consideration is \$277,167, calculated by taking into account the issuance of 27,716,711 New Nadina common shares at a deemed value of \$0.01 per share.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Nine months ended May 31, 2017 and 2016

(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

New Nadina recognizes \$724,983 in Transaction costs associated with the POA expensed to the pro forma consolidated statement of income (loss) and comprehensive income (loss). The transaction costs represent the fair value of the New Nadina common shares issued in excess of the net liabilities of Kettle River on acquisition.

In addition to the content herein, the financial statement as presented in the “Notice of Annual General and Special Meeting of Security Holders and Management Information Circular” is available on SEDAR filed September 29, 2015, under Schedule F “Pro Forma Financial Statements”. The unaudited pro forma financial statements were prepared for inclusion in the Management Information Circular of Kettle River for the October 16, 2015 special meeting of the shareholders and presented for illustrative purposes and were not intended to reflect the financial statements that would have occurred if the events reflected therein had been in effect at the closing date. Actual amounts recorded upon consummation of the transaction will differ from those recorded in the unaudited pro forma consolidated financial statements and the differences may be material.

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

On February 15, 2017 the Company sold Kettle River Resources Ltd. to Golden Dawn Minerals Inc as per the terms outlined in the Letter of Intent. (NR Oct 19, 2016).

Disposition of Kettle River Resources Ltd.	Value Received	Number of Shares
Cash Payments:	\$1,010,000	
Shares Of Golden Dawn:	600,000	2.2 million (\$0.27/share)
	\$1,610,000	

Other consideration

Kettle River’s Greenwood Area Properties consist of mineral claims, Crown Grants and surface freehold titles in the historical Greenwood Mining District. The Company is optimistic this package will enhance Golden Dawn’s property portfolio for rewarding exploration in the famous historical production district. Having a mill in the district encourages and makes feasible mining of smaller available deposits.

The Greenwood Area Properties are subject to a 1% NSR where Golden Dawn can purchase a ½% for \$1,000,000 up to five years and thereafter \$1,200,000 up to 10 years leaving a ½% NSR payable to the Company.

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 Nine months ended May 31, 2017 and 2016

(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

	2017	2016
Available for sale:		
Marketable securities		
Opening balance	\$ -	\$ -
Securities acquired	600,000	-
Other comprehensive gain (loss)	33,341	-
Closing balance –market price	<u>\$ 633,341</u>	<u>\$ -</u>

Marketable securities are accounted for using the fair value method.

The Company on February 15, 2017 (NR Sale of Kettle River Completed) owned 2,222,250 common shares in Golden Dawn Minerals Inc. (“Golden Dawn”) as part of its agreement to sell the Kettle River Resources 100% owned Greenwood Area mineral properties. These shares were valued at \$0.27 per share at the time of acquisition on February 2, 2017.

5. RECLAMATION DEPOSITS

Included in reclamation deposits of \$82,500 (2016 - \$87,500) are:

Description/Property	2017 Amounts	2016 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>		

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(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, 2015	\$ 148,032	\$ 74,959			\$ 222,991
Balance as May 31, 2016	\$ 148,032	\$ 74,959	\$ 53,972	\$ 117,557	\$ 394,520
Balance as at August 31, 2016	\$ 148,032	\$ 74,959	-	-	\$ 222,991
Balance as at May 31, 2017	\$ 148,032	\$ 74,959	\$ -	\$ -	\$ 222,991
Accumulated depreciation					
Balance as at August 31, 2015	\$ 78,402	\$ 50,150	-	-	\$ 128,552
Balance as at May 31, 2016	\$ 88,847	\$ 53,871	\$ 53,675	\$ 117,486	\$ 313,878
Balance as at August 31, 2016	\$ 92,328	\$ 55,111	\$ -	\$ -	\$ 147,439
Depreciation for the period	8,356	2,977			11,333
Balance as at May 31, 2017	\$ 100,684	\$ 58,088	\$ -	\$ -	\$ 158,772
Net book value					
Balance as at August 31, 2015	\$ 69,630	\$ 24,809	-	-	\$ 94,439
Balance as at May 31, 2016	\$ 59,185	\$ 21,088	\$ 296	\$ 73	\$ 80,641
Balance as at August 31, 2016	\$ 55,704	\$ 19,848	\$ -	\$ -	\$ 75,552
Balance as at May 31, 2017	\$ 47,348	\$ 16,871	\$ -	\$ -	\$ 64,219

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	2017	2016
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 currently owns 100% interest in a Silica Quarrying Mineral Lease (recently renewed) with an expiry date in December 2019.

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

The Company holds a 100% interest in the Silver Queen property 40 km south of Houston BC near Owen Lake.

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

The Company holds a 57.49% interest in certain mineral claims in the Mackenzie District Mining Division, Northwest Territories. The 2002 Letter Agreement provides for a 1% gross overriding royalty payable to each of DHK Diamonds Inc., and Kennecott Canada Explorations Inc. Two other parties hold the remaining participating interest in the mineral claims.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Nine months ended May 31, 2017 and 2015

(Unaudited - Expressed in Canadian dollars)

7. MINERAL PROPERTIES – continued

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

A five-year Type “A” Land Use permit expiring September 4, 2017 was issued by the Wek’eezhii Land and Water Board.

(d) Greenwood Area Properties – owned by Kettle River

On February 15, 2017 the Company completed sale of Kettle River comprising the Greenwood Area properties. Note 2(b).

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, a contributing partner in the WO Joint Venture diamond property in the Northwest Territories, as of December 31, 2015, holds a 10.3165%. The operator is Peregrine Diamonds Ltd. (“Peregrine”).

Through an agreement dated October 24, 2003 DHK holds a 1% gross overriding royalty on three leases known as the Monument Property, located at Lac de Gras NWT, explored for diamond potential, owned (57.49%) and operated by New Nadina.

Exploration Expenditures by Property For the period ended May 31, 2017	Saskatchewan property Note 5(a)	Silver Queen Property Note 5(b)	Monument Diamond property Note 5(c)	Greenwood area properties Note 5(d)	DHK Diamonds properties Note 5(c)	Total
Assay analysis	-	2,736	-	-	-	\$ 2,736
Camp preparation	-	3,646	-	-	-	3,646
Depreciation	-	11,333	-	-	-	11,333
General exploration	380	65,350	7,093	7,876	67	80,766
Geology	-	9,067	-	-	-	9,067
Property, assessment and taxes	108	1,165	7,615	2,214	-	11,102
Technical reports	-	-	-	-	-	-
	\$ 488	\$ 93,297	\$ 14,708	\$ 10,090	\$ 67	\$ 118,650
Less: Reimbursement (Contributions) from participant:	-	-	(6,037)	-	-	(6,037)
Less: Government assistance - BCMETC	-	(14,304)	-	-	-	(14,304)
Net Exploration	\$ 488	\$ 78,993	\$ 8,671	\$ 10,090	\$ 67	\$ 98,309

Exploration Expenditures by Property For the period ended May 31, 2016	Saskatchewan property Note 5(a)	Silver Queen Property Note 5(b)	Monument Diamond property Note 5(c)	Greenwood area properties Note 5(d)	DHK Diamonds properties Note 5(c)	Total
Assay analysis	-	1,599	-	-	-	\$ 1,599
Camp preparation	-	-	-	-	-	-
Depreciation	-	14,166	-	-	-	14,166
General exploration	525	11,546	565	3,047	2,323	18,006
Geology	-	4,160	-	-	-	4,160
Property, assessment and taxes	262	17,129	7,615	-	3,516	28,522
Technical reports	-	-	-	-	-	-
	\$ 787	\$ 48,600	\$ 8,180	\$ 3,047	\$ 5,839	\$ 66,453
Less: Reimbursement (Contributions) from participants	-	-	(4,387)	-	-	(4,387)
Less: Government assistance - BCMETC	-	(32,646)	-	-	-	(32,646)
Net Exploration	\$ 787	\$ 15,954	\$ 3,793	\$ 3,047	\$ 5,839	\$ 29,420

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Nine months ended May 31, 2017 and 2015

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL

- a) **Authorized:** unlimited common shares without par value
b) **Issued and fully paid:** Total shares issued to November 30, 2015 – 8,448,657

There were no shares issued during the year ended August 31, 2016.

	<u>Shares issued</u>
Issued Shares as at September 1, 2015	84,486,568
Nov. 6, 2015 issued for acquisition of Kettle River Resources Ltd.	27,716,711
	<u>112,203,279</u>
Share consolidation 10 for 1 See 7(b) terms of share consolidation March 4, 2016 New issued shares:	11,220,433
April 28, 2016 Shares issued for Debt at \$0.10	1,427,000
Issued Shares as at August 31, 2016 and at May 31, 2017	<u>12,647,433</u>

During the current period, no common shares were issued.

During the period ending November 30, 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.

On 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 on 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:**

No warrants were granted or exercised during the period and there are no existing warrants at the end of the current period.

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:

	<u>May 31, 2017</u>		<u>May 31, 2016</u>	
	Number of Options	Weighted Price \$	Number of Options	Weighted Price \$
Opening balance	465,000	1.22	465,000	1.22
Granted	-	-	-	-
Expired	<u>(215,000)</u>	1.50	<u>-</u>	-
Closing balance	<u>250,000</u>	1.00	<u>465,000</u>	1.22
Weighted average years to expiry	0.46		1.16	

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Nine months ended May 31, 2017 and 2015

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL – continued

d) Share purchase options: – continued

Granted options were reduced and re-priced accordingly as shown below as per the March 4, 2016 the share consolidation on a basis of ten (10) old shares for one (1) new share.

OPTIONS:	GRANTED	EXPIRY DATE	EXERCISE PRICE
	250,000	February 14, 2018	\$1.00
Total:	250,000		

At May 31, 2017 there were 250,000 fully vested options outstanding (2015 – 4,650,000), none of which are currently 'in the money'.

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 May 31, 2017 amount owing to directors and related was \$11,275 (2016 - \$595,148).

As at May 31, 2017 a loan balance of \$ Nil (2016 - \$411,900), assumed from Kettle River, owing to the President of the Company.

As of May 31, 2017 there is a loan balance of \$ Nil (2016 - \$155,318) owing to the President of the Company for costs related to the Plan of Arrangement.

For the period ended May 31st the Company incurred the following expenses with related parties:

	2017	2016
Charged by the President's private company as project operator for exploration services including equipment use and rental, and since April 1, 2015 office rent for administrative and exploration use	\$ 10,800	\$ 13,200
Charged by directors for geological consulting services and management	4,800	5,100
Total	\$ 15,600	\$ 18,300

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

On June 12, 2017 the Company has granted 775,000 stock options to directors and employees of the company under its incentive stock option plan. The options, exercisable at 0.09 cents per share for a period of five years, expire June 11, 2022. All options granted are in accordance with the Company Stock Option Plan and subject to TSXV approval.

On June 20, 2017 the Company announced a non-brokered private placement of 6,000,000 units at a price of \$0.08 cents per unit for gross proceeds of \$480,000. The units of the financing will comprise of one common share and a full share purchase warrant, exercisable for a period of five years at a price of \$0.12 per share. The term of the warrants may be accelerated in the event that the issuer's shares trade at or above a price of \$0.15 cents per share for a period of ten (10) consecutive trading days. In such case of accelerated warrants, the issuer shall give notice by way of a news release to the subscribers that the warrants will expire thirty (30) days from the date of providing such notice. – see full details of this News Release on www.nadina.com/news/2017-news-releases.