



**BWR EXPLORATION INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED FEBRUARY 28, 2018
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim financial statements of BWR Exploration Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

BWR Exploration Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at February 28, 2018	As at November 30, 2017
ASSETS		
Current assets		
Cash	\$ 418,889	\$ 60,760
Sales tax receivable	8,608	8,233
Prepaid expenses	11,945	1,945
Total assets	\$ 439,442	\$ 70,938
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	\$ 161,984	\$ 255,500
Flow-through share liability (note 5(b))	19,899	20,148
Promissory notes (notes 3 and 10)	-	68,984
Total liabilities	181,883	344,632
Shareholders' equity (deficiency)		
Share capital (note 5)	2,848,987	2,382,079
Reserves (notes 6 and 7)	980,071	826,483
Deficit	(3,571,499)	(3,482,256)
Total shareholders' equity (deficiency)	257,559	(273,694)
Total liabilities and shareholders' equity (deficiency)	\$ 439,442	\$ 70,938

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"Neil Novak", Director _____

"Allan Ringler", Director _____

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

BWR Exploration Inc.**Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

	Three months ended February 28, 2018	Three months ended February 28, 2017
Operating expenses		
Exploration and evaluation expenditures (note 4)	\$ 36,993	\$ 253,222
General and administrative (note 9)	73,003	56,130
Loss from operating expenses	(109,996)	(309,352)
Settlement of flow-through share premium	20,753	-
Total loss and comprehensive loss for the period	\$ (89,243)	\$ (309,352)
Basic and diluted net loss per share (note 8)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	62,222,794	43,525,294

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

BWR Exploration Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three months ended February 28, 2018	Three months ended February 28, 2017
Operating activities		
Net loss for the period	\$ (89,243)	\$ (309,352)
Adjustments for:		
Share-based payments	781	3,123
Shares issued for exploration expenditures	-	250,000
Interest expense accrued	460	1,282
Settlement of flow-through share premium	(20,753)	-
Changes in non-cash operating capital:		
Sales tax receivable	(375)	(608)
Prepaid expenses	(10,000)	-
Accounts payables and accrued liabilities	(93,516)	36,973
Net cash used in operating activities	(212,646)	(18,582)
Financing activities		
Private placement proceeds, net of cost of issue	640,219	-
Repayments of promissory notes	(69,444)	-
Net cash provided by financing activities	570,775	-
Net change in cash	358,129	(18,582)
Cash, beginning of period	60,760	96,890
Cash, end of period	\$ 418,889	\$ 78,308

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BWR Exploration Inc.**Condensed Interim Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****Unaudited**

	<u>Reserves</u>				
	Share capital	Contributed surplus	Warrants reserve	Deficit	Total
Balance, November 30, 2016	\$ 2,080,643	\$ 160,500	\$ 194,874	\$ (2,568,952)	\$ (132,935)
Common shares issued for exploration expenditure	250,000	-	-	-	250,000
Expiry of warrants	-	-	(30,135)	30,135	-
Share-based payments	-	3,123	-	-	3,123
Net loss for the period	-	-	-	(309,352)	(309,352)
Balance, February 28, 2017	\$ 2,330,643	\$ 163,623	\$ 164,739	\$ (2,848,169)	\$ (189,164)
Balance, November 30, 2017	\$ 2,382,079	\$ 235,078	\$ 591,405	\$ (3,482,256)	\$ (273,694)
Private placements	677,850	-	-	-	677,850
Warrants issued	(134,726)	-	134,726	-	-
Cost of issue - cash	(37,631)	-	-	-	(37,631)
Cost of issue - broker warrants	(18,081)	-	18,081	-	-
Flow-through premium	(20,504)	-	-	-	(20,504)
Share-based payments	-	781	-	-	781
Net loss for the period	-	-	-	(89,243)	(89,243)
Balance, February 28, 2018	\$ 2,848,987	\$ 235,859	\$ 744,212	\$ (3,571,499)	\$ 257,559

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

BWR Exploration Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

BWR Exploration Inc. (the "Company" or "BWR"), incorporated on January 20, 2011, is engaged in the exploration of precious and base metal properties. BWR is a public company, quoted for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BWR". The Company's principal properties are the Santa Maria Project, the Shunsby Project, the Vendôme Sud Property and the Little Stull Lake Gold Project. The head office of the Company is located at The Canadian Venture Building, 82 Richmond Street East, Suite 201, Toronto, Ontario, M5C 1P1, Canada.

The unaudited condensed interim financial statements of BWR for the three months ended February 28, 2018 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 27, 2018.

As at February 28, 2018, the Company had a working capital of \$257,559 (November 30, 2017 - working capital deficit of \$273,694) and a deficit of \$3,571,499 (November 30, 2017 - \$3,482,256). Management of the Company believes that it will be able to pay its ongoing general and administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due through additional financing. 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. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The Company's ability to continue operations and fund its exploration and evaluation expenditures is dependent on management's ability to generate cash and manage its cash resources.

Management believes the going concern assumption to be appropriate for these unaudited condensed interim financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the balance sheet classifications used in the unaudited condensed interim financial statements. These adjustments could be material.

The recoverability of exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability to obtain necessary financing, obtain government approval and attain profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

2. Summary of significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2018 could result in restatement of these unaudited condensed interim financial statements.

BWR Exploration Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

Unaudited

2. Summary of significant accounting policies (continued)

Future accounting changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after December 1, 2018 or later periods. Many are not applicable to or do not have a significant impact on BWR and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on BWR.

(i) IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010 and other dates thereafter. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

(ii) IFRS 16, Leases ("IFRS 16") was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will affect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases. The Standard is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted.

3. Promissory notes

On February 29, 2016, the Company issued promissory notes totaling \$60,000 to a director and a director and officer of the Company. The notes bear interest at 8% per annum and are payable on demand. During the three months ended February 28, 2018, these promissory notes and accrued interest were repaid.

During the three months ended February 28, 2018, the Company recorded an interest expense of \$460 (three months ended February 28, 2017 - \$1,282) related to outstanding promissory notes.

BWR Exploration Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

Unaudited

4. Mineral properties

	Three months ended February 28, 2018	Three months ended February 28, 2017
Acquisition costs	\$ -	\$ 250,000
Travel, meals and accommodations	145	752
Geological consultants (note 10)	21,100	-
Geophysics	9,375	-
Administrative	15	-
Leases and taxes	1,258	2,470
Camp and equipment	5,100	-
	\$ 36,993	\$ 253,222

5. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance - November 30, 2016	39,191,961	\$ 2,080,643
Common shares issued for mineral property acquisition (note 4)	5,000,000	250,000
Balance - February 28, 2017	44,191,961	\$ 2,330,643
Balance - November 30, 2017	55,727,461	\$ 2,382,079
Private placement (i)	8,685,000	677,850
Warrants issued (i)	-	(134,726)
Cost of issue - cash (i)	-	(37,631)
Cost of issue - broker warrants (i)	-	(18,081)
Premium on flow-through shares issued (i)	-	(20,504)
Balance - February 28, 2018	64,412,461	\$ 2,848,987

BWR Exploration Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

Unaudited

5. Share capital (continued)

b) Common shares issued (continued)

(i) On December 22, 2017, the Company closed the first tranche of the non-brokered private placement for gross proceeds of \$577,850, consisting of 1,330,000 flow-through shares at \$0.10 per share and 6,355,000 non flow-through units at \$0.07 per unit. The second tranche of the private placement closed on December 29, 2017 for gross proceeds of \$100,000, consisting of 1,000,000 flow-through shares at \$0.10 per share.

Each unit consisted of one common share of the Company plus one half of one common share purchase warrant. Each warrant will expire 24 months from the date of issue and each whole warrant will entitle the holder thereof to purchase one common share at a price of \$0.15 per share.

All securities issued have a hold period of 4 months plus one day, which expired on April 23, 2018 for the first tranche and expires on April 30, 2018 for the second tranche.

The fair value of 3,177,500 warrants were estimated at \$134,726 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.065, expected volatility - 166% (based on historical volatility), risk-free interest rate - 1.66%, exercise price of \$0.15 and an expected average life of 2 years.

In connection with the private placements, BWR has paid finder's fees in an amount of \$31,492 and issued 370,000 broker warrants. Each broker warrant entitles the holder thereof to purchase one unit of the Company at a price of \$0.10 per unit for a period of 24 months from the date of issuance.

The fair value of 290,000 broker warrants issued on December 22, 2017 were estimated at \$13,369 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.065, expected volatility - 166% (based on historical volatility), risk-free interest rate - 1.66%, exercise price of \$0.10 and an expected average life of 2 years.

The fair value of 80,000 Broker Warrants issued on December 29, 2017 were estimated at \$4,712 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.08, expected volatility - 166% (based on historical volatility), risk-free interest rate - 1.69%, exercise price of \$0.10 and an expected average life of 2 years.

One insider participated in this financing subscribing for 860,000 units for net proceeds to the Company of \$60,200.

The flow-through units issued were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$20,504. As of February 28, 2018, the Company has a flow-through premium liability of \$19,899.

BWR Exploration Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

Unaudited

6. Warrants

The following summarizes the warrant activity for the three months ended February 28, 2018 and 2017:

	Number of warrants	Weighted average exercise price
Balance - November 30, 2016	7,998,500	\$ 0.09
Expired	(516,500)	(0.10)
Balance - February 28, 2017	7,482,000	\$ 0.09
Balance - November 30, 2017	16,837,340	\$ 0.09
Warrants issued (note 5(b)(i))	3,177,500	0.15
Broker warrants issued (note 5(b)(i))	370,000	0.10
Balance - February 28, 2018	20,384,840	\$ 0.10

As of February 28, 2018, the following warrants were outstanding:

Expiry Date	Number of warrants	Exercise price (\$)	Fair value on grant (\$)
June 28, 2018	2,000,000	0.10	46,043
August 10, 2018	4,782,000	0.10	112,746
March 28, 2019	2,421,840	0.10	99,780
March 28, 2019	7,285,500	0.075	312,548
April 6, 2019	348,000	0.10	14,338
December 22, 2019	3,177,500	0.15	134,726
December 22, 2019	290,000	0.10	13,369
December 29, 2019	80,000	0.10	4,712
	20,384,840	0.10	738,262

7. Stock options

The following summarizes the stock option activity for the three months ended February 28, 2018 and 2017:

	Number of stock options	Weighted average exercise price
Balance - November 30, 2016	2,930,000	\$ 0.13
Granted (i)	500,000	0.10
Balance - February 28, 2017	3,430,000	\$ 0.13
Balance - November 30, 2017 and February 28, 2018	4,467,500	\$ 0.11

BWR Exploration Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

Unaudited

7. Stock options (continued)

(i) On January 30, 2017, the Company granted 500,000 stock options to a consultant with an exercise price of \$0.10 per share, vesting 25% in three months and at the end of six, nine and twelve months, with an expiry date of January 30, 2019. The fair value of these stock options was estimated at \$18,700 using the Black-Scholes option pricing formula with the following weighted average assumptions: expected dividend yield - 0%, expected volatility - 188%, risk-free interest rate - 0.79% and an expected average life of 2 years. The stock options were valued based on the equity instrument granted as no value could be determined for the service.

As of February 28, 2018, the following stock options were outstanding:

Expiry Date	Exercise price (\$)	Number of stock options	Number of exercisable stock options	Weighted average contractual life (years)	Grant date fair value (\$)
June 6, 2018	0.20	1,300,000	1,300,000	0.27	84,500
January 30, 2019	0.10	500,000	500,000	0.92	18,700
August 11, 2019	0.10	650,000	650,000	1.45	43,615
March 21, 2021	0.05	930,000	930,000	3.06	22,320
May 29, 2022	0.075	1,087,500	1,087,500	4.25	56,659
	0.11	4,467,500	4,467,500	2.06	225,794

8. Loss per share

	Three months ended February 28, 2018	Three months ended February 28, 2017
Net loss per share:		
- basic	\$ (0.00)	\$ (0.01)
- diluted	\$ (0.00)	\$ (0.01)
Net loss for the period	\$ (89,243)	\$ (309,352)
Weighted average outstanding - basic	62,222,794	43,525,294
Weighted average outstanding - diluted	62,222,794	43,525,294

Basic loss per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted loss per share, an adjustment is not made for the dilutive effect of outstanding warrants and outstanding stock options as they are anti-dilutive.

BWR Exploration Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

Unaudited

9. General and administrative expenses

	Three months ended February 28, 2018	Three months ended February 28, 2017
Consulting fees (Note 10)	\$ 21,000	\$ 15,000
Accounting and corporate secretarial fees (Note 10)	13,193	9,578
Professional fees (Note 10)	6,040	2,040
Office and general (Note 10)	6,188	16,399
Travel and accommodation	3,725	772
Investor relations and shareholder information	22,076	9,218
Share-based payments (Notes 7 and 10)	781	3,123
	\$ 73,003	\$ 56,130

10. Related party transactions

The Chief Financial Officer is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services and office space. During the three months ended February 28, 2018, the Company incurred \$11,866 (three months ended February 28, 2017 - \$8,259) for accounting services rendered by MSSI and \$2,475 for rent expense (three months ended February 28, 2017 - \$2,475). As at February 28, 2018, MSSI was owed \$12,458 (November 30, 2017 - \$14,897) and this amount was included in accounts payable and accrued liabilities.

DSA Corporate Services Inc. ("DSA"), a firm providing corporate secretarial and filing services, is affiliated with MSSI through a common officer. During the three months ended February 28, 2018, the Company incurred \$2,006 (three months ended February 28, 2017 - \$1,918) for services rendered by DSA. As at February 28, 2018, DSA was owed \$1,374 (November 30, 2017 - \$1,870) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from Nominex Ltd. ("Nominex"), a company controlled by the President and Chief Executive Officer ("CEO"). The fees consisted of consulting fees of \$15,000 during the three months ended February 28, 2018 (three months ended February 28, 2017 - \$15,000) for CEO services and exploration and evaluation expenditures of \$12,125, during the three months ended February 28, 2018 (three months ended February 28, 2017 - \$nil) for geological consulting. As at February 28, 2018, Nominex was owed \$50,000 (November 30, 2017 - \$115,000) and this amount was included in accounts payable and accrued liabilities.

The Company received legal services from REVLaw, where the Company's Corporate Secretary is a partner. During the three months ended February 28, 2018, the Company incurred \$6,000 (three months ended February 28, 2017 - \$nil) for services rendered by REVLaw. As at February 28, 2018, REVLaw was owed \$56,000 (November 30, 2017 - \$50,000) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from G. Duguay Services Inc., a company controlled by a director of the Company. During the three months ended February 28, 2018, the Company incurred \$6,000 (three months ended February 28, 2017 - \$nil) for services rendered by G. Duguay Services Inc. As at February 28, 2018, G. Duguay Services Inc. was owed \$19,000 (November 30, 2017 - \$34,000) and this amount was included in accounts payable and accrued liabilities.

BWR Exploration Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

Unaudited

10. Related party transactions (continued)

On February 29, 2016, the Company issued promissory notes totaling \$60,000 (\$69,444 including accrued interest before full repayment, \$68,984 including accrued interest at November 30, 2017) to a director and a director and officer of the Company. The notes bore interest at 8% per annum and were payable on demand. During the three months ended February 28, 2018, these promissory notes and accrued interest were repaid.

As at February 28, 2018, the Company has accounts payable to a Company controlled by two directors of the Company of \$4,787 (November 30, 2017 - \$4,787).

The above noted transactions are in the normal course of business.

To the knowledge of the directors and senior officers of the Company, as at February 28, 2018, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below. None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

As of February 28, 2018, directors and officers with control of less than 10% of the common shares of the Company collectively control 14,347,800 common shares of the Company or approximately 22% of the total common shares outstanding.

11. Segmented information

The Company operates in one reportable operating segment, being the acquisition and exploration and evaluation of mineral properties located in Canada.