MARGAUX RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2017 AND 2016

EXPRESSED IN CANADIAN DOLLARS

(UNAUDITED)

Under National Instrument 51-102, Part 4, subsection 4.3(3)9(a), if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Margaux Resources Ltd. as of June 30, 2017, have been compiled by management and approved by the Audit Committee and the Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these interim condensed financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim condensed financial statements by an entity's auditors.

MARGAUX RESOURCES LTD.
Statements of Financial Position

As at	June 30, 2017 $	September 30, 2016 $
ASSETS		
CURRENT		
Cash	**2,199,564**	710,271
Other receivables	**58,247**	26,147
Prepaids	**45,753**	12,334
Deposit	**39,500**	27,000
TOTAL CURRENT ASSETS	**2,343,064**	775,752
NON-CURRENT		
PROPERTY AND EQUIPMENT (Note 4)	**128,558**	41,948
EXPLORATION AND EVALUATION ASSETS (Note 5)	**4,131,826**	2,004,835
LONG-TERM PREPAIDS (Note 5)	**150,000**	100,000
TOTAL NON-CURRENT ASSETS	**4,410,384**	2,146,783
TOTAL ASSETS	**6,753,448**	2,922,535
LIABILITIES		
CURRENT		
Trade and other payables	**227,148**	295,230
Flow-through share liability (Note 6)	**-**	15,426
Note payable	**-**	44,300
TOTAL CURRENT LIABILITIES	**227,148**	354,956
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	**13,020,723**	7,291,304
CONTRIBUTED SURPLUS (Note 6)	**4,786,883**	4,464,557
DEFICIT	**(11,281,306)**	(9,188,282)
TOTAL SHAREHOLDERS' EQUITY	**6,526,300**	2,567,579
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,753,448**	2,922,535

GOING CONCERN (Note 2)

COMMITMENTS (Note 7)

SUBSEQUENT EVENT (Note 10)

Approved by the Board of Directors:

"H. Tyler Rice" "James Letwin"

H. Tyler Rice, Director James Letwin, Director

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

MARGAUX RESOURCES LTD.
Statements of Comprehensive Loss

	For the three months ended June 30,		For the nine months ended June 30,	
	2017	2016	**2017**	2016
Expenses				
Operating and production	**23,087**	86,890	**84,179**	90,602
General and administrative	**462,451**	(8,383)	**1,729,235**	247,208
Share-based payments (Note 8)	**100,686**	17,288	**322,326**	21,468
Depreciation and depletion (Note 4)	**5,118**	1,148	**15,353**	3,444
Foreign exchange gain/loss	**4,599**	-	**7,884**	-
Total expenses	**595,941**	96,943	**2,158,977**	362,722
Loss before other items	**(595,941)**	(96,943)	**(2,158,977)**	(362,722)
Flow through share premium	**30,975**	-	**64,946**	-
Fair value gain on derivative	**-**	-	**1,007**	-
Other Income	**-**	80,000	**-**	80,000
Net Loss from operations	**(564,966)**	(16,943)	**(2,093,024)**	(282,722)
Net loss and comprehensive loss attributable to shareholders	**(564,966)**	(16,943)	**(2,093,024)**	(282,722)
Basic and diluted loss per common share (Note 9)	**(0.01)**	(0.00)	**(0.05)**	(0.01)

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

MARGAUX RESOURCES LTD.
Statements Changes in Shareholders' Equity

	Note	Share Capital $	Contributed Surplus $	Deficit $	Total $
Balance as at, September 30, 2015		5,648,978	4,407,378	(8,638,777)	1,417,579
Net loss and comprehensive loss		-	-	(549,505)	(549,505)
Common shares issued, net costs	6	1,000,967	-	-	1,000,967
Warrants	6	638,613	-	-	638,613
Equity component of note payable	6	2,746	-	-	2,746
Share-based payments	6	-	57,179	-	57,179
Balance as at, September 30, 2016		7,291,304	4,464,557	(9,188,282)	2,567,579
Net loss and comprehensive loss		-	-	(2,093,024)	(2,093,024)
Common shares issued, net costs	6	3,532,566	-	-	3,532,566
Warrants	6	2,196,853	-	-	2,196,853
Share-based payments	6	-	322,326	-	322,326
Balance as at, June 30 2017		**13,020,723**	**4,786,883**	**(11,281,306)**	**6,526,300**

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

MARGAUX RESOURCES LTD.
Statements of Cash Flows

	For the three months ended June 30,		For the nine months ended June 30,	
	2017	2016	**2017**	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	**(564,966)**	(16,943)	**(2,093,024)**	(282,722)
Items not affecting cash:				
Share-based payments	**110,686**	17,288	**322,326**	21,468
Depreciation and depletion (Note 4)	**5,118**	1,148	**15,353**	3,444
Prepaid Royalty	-	-	**(50,000)**	-
Change in non-cash working capital				
Trade and other receivables	**-**	(3,996)	**(32,100)**	20,759
Prepaids	**(33,763)**	3,465	**(33,419)**	(3,051)
Deposits	**(12,500)**	(4,000)	**(12,500)**	(4,000)
Trade and other payables	**(131,840)**	(117,478)	**(68,082)**	(105,165)
Net Cash used in operating Activities	**(637,265)**	(120,516)	**(1,951,446)**	(349,267)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share and warrant issuance, net of costs	**942,812**	981,000	**5,729,419**	1,265,719
Flow through share premium	**(30,975)**	**-**	**(15,426)**	-
Proceeds from note payables	**-**	15,000	**(44,300)**	30,000
Loan	**-**	(12,000)	**-**	(50,000)
Net cash generated from financing activities	**911,837**	984,000	**5,669,693**	1,245,719
CASH FLOWS FROM INVESTING ACTIVITIES				
Property and equipment	**(14,700)**	-	**(101,963)**	-
Exploration and evaluation	**(679,941)**	(62,469)	**(2,126,991)**	(72,469)
Net cash used in investing activities	**(694,641)**	(62,469)	**(2,228,954)**	(72,469)
(DECREASE) INCREASE IN CASH FOR THE PERIOD	**(420,069)**	801,015	**1,489,293**	823,982
CASH – BEGINNING OF PERIOD	**2,619,633**	26,124	**710,271**	3,157
CASH – END OF PERIOD	**2,199,564**	827,139	**2,199,564**	827,139

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

1. CORPORATE INFORMATION

Margaux Resources Ltd. (the "Corporation") was incorporated under the Alberta Business Corporations Act on August 5, 2009 and was a Capital Pool Company under Policy 2.4 of the TSX Venture Exchange (the "Exchange"). In January 2011, the Corporation completed an initial public offering ("IPO") and currently trades on the TSX Venture Exchange and the OTCQB Venture Market under the trading symbols "MRL" and "MARFF" respectively. The registered address of the Corporation is 1600, 510 – 5th Street SW, Calgary, Alberta, T2P 3S2.

The Corporation is a mineral acquisition and exploration company focused on the development of zinc, gold, and tungsten deposits in the Kootenay Arc, in the southeastern region of British Columbia.

2. GOING CONCERN

These condensed interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Corporation is in the process of acquiring and exploring mineral properties in British Columbia. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon:

- the existence of economically recoverable reserves;
- the ability of the Corporation to obtain financing in order to secure and maintain title and beneficial interest in its properties;
- the ability to complete the development of the properties; and,
- the ability to achieve future profitable production from the properties or obtain proceeds from the sale of properties.

The Corporation's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate sufficient cash from operating and financing activities to meet the Corporation's needs. However, certain conditions exist that may cast significant doubt on the validity of this assumption. The Corporation incurred a net and comprehensive loss of $564,966 and $2,093,024 (June 30, 2016 – net loss $16,943 and $282,722) for the three and nine months ended June 30, 2017 and had negative cash flows from operating activities of $637,265 and $1,951,446 (2016 – $120,516 and $349,267). These condensed interim financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Corporation were unable to continue as a going concern and therefore be required to realize its assets and liabilities in other than the normal course of business and potentially at amounts significantly different from those recorded in these condensed interim financial statements. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt.

3. BASIS OF PREPARATION

These interim condensed financial statements are unaudited and have been prepared in accordance with IAS 34, Interim Financial Reporting. These interim condensed financial statements are presented in Canadian dollars which is the Company's functional currency. In preparing these interim condensed financial statements, the accounting policies, methods of computation and significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended September 30, 2016.

Certain information and disclosures normally included in the notes to the annual financial statements have been condensed or have been disclosed on an annual basis only. The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2016 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2016. These interim condensed financial statements were authorized for issue by the board of directors on August 28, 2017.

4. PROPERTY AND EQUIPMENT

	Petroleum and natural gas assets $	Equipment $	Total $
Cost			
Balance as at October 1, 2016	**272,399**	**69,609**	**342,008**
Additions	**-**	106,110	**106,11**
Balance as at June 30, 2017	**272,399**	**175,719**	**448,118**
Accumulated depletion and depreciation and impairment			
Balance as at October 1 2016	**272,399**	**27,661**	**300,060**
Charge for the period	**-**	19,500	19,500
Balance as at June 30, 2017	**272,399**	**47,161**	**319,560**
Net book value			
June 30, 2017	**-**	**128,558**	**128,558**

5. EXPLORATION AND EVALUATION ASSETS

	$
Balance as at September 30, 2016	**2,004,835**
Additions	2,126,991
Balance as at June 30, 2017	**4,131,826**

Exploration and Evaluation ("E&E") assets consist of costs expended on the Corporation's projects which are pending determination of technical feasibility and commercial viability.

Management assessed the E&E assets at June 30, 2017 and determined that no indicators of impairment existed.

During the three and nine months ended June 30, 2017, the Corporation focused its activities to mining on its optioned properties, the Jersey-Emerald Property, the Jackpot/Oxide Property, the Bayonne and Sheep Creek Properties, the Ore Hill property and the Aspenex property.

During the period ended June 30, 2017, the corporation paid $337,000 cash in option payments and issued 225,000 common shares.

Long term prepaids consists of yearly advanced royalty payments of $50,000 made on the Jersey-Emerald Property.

6. SHARE CAPITAL, WARRANT RESERVE AND CONTRIBUTED SURPLUS

Authorized
Unlimited number of common shares

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Corporation.

	Number of Shares
Balance at September 30, 2016	29,093,938
Common shares issued (a)(b)(c)(d)(e)(f)(g)(h)(i)(j)(k)	20,559,180
Balance at June 30, 2017	**49,693,118**

Warrants

	Number of Warrants
Balance at September 30, 2016	4,775,000
Warrants issued (a)(b)(e)(h)	10,449,829
Balance at June 30, 2017	**15,224,829**

(a) On October 21, 2016, the Corporation closed on a non-brokered private placement of 3,976,000 units of the Corporation at a purchase price of $0.31 per unit and 548,387 common shares issued on a "CEE flow-through" basis at a purchase price of $0.31 per unit for total proceeds of $1,164,000. Each unit consists of one common share of the Corporation and one common share purchase warrants in the Corporation. Each whole warrant will be exercisable by the holder at a price of $0.30 per warrant for a period of two years from October 21, 2016.

(b) On November 24, 2016, the Corporation closed on a non-brokered private placement of 2,128,000 units of the Corporation at a purchase price of $0.25 per unit and 1,122,582 common shares issued on a "CEE flow-through" basis at a purchase price of $0.31 per unit for total proceeds of $880,000. Each unit consists of one common share of the Corporation and one common share purchase warrants in the Corporation. Each whole warrant will be exercisable by the holder at a price of $0.30 per warrant for a period of two years from November 24, 2016.

(c) On January 6, 2017, upon receipt of the TSX Venture Exchange approval, the Corporation issued 50,000 common shares as per the Jackpot/Oxide Property option agreement signed on October 12, 2016.

(d) On February 16, 2017, upon receipt of the TSX Venture Exchange approval, the Corporation issued 50,000 common shares as per the Bayonne and Sheep Creek Properties option agreement signed on December 23, 2016.

(e) On March 9, 2017, the Corporation closed on a non-brokered private placement of 4,876,661units of the Corporation at a purchase price of $0.30 per unit and 1,237,998 common shares issued on a "CEE flow-through" basis at a purchase price of $0.36 per unit for total proceeds of $1,908,678. Each unit consists of one common share of the Corporation and one-half of one common share purchase warrants in the Corporation. Each whole warrant will be exercisable by the holder at a price of $0.40 per warrant for a period of two years from March 9, 2017.

(f) On March 10, 2017, upon receipt of the TSX Venture Exchange approval, the Corporation issued 25,000 comoon shares as per the Jersey-Emerald Tungsten tailings pond option agreement signed on January 19, 2017.

(g) On March 14, 2017, options that were issued in August 5, 2016 were exercised at $0.25 per share in exchange for 50,000 common shares for gross proceeds of $12,500.

(h) On March 31, 2017, the Corporation closed on a non-brokered private placement of 3,814,996 units of the Corporation at a purchase price of $0.30 per unit and 2,169,556 common shares issued on a "CEE flow-through" basis at a purchase price of $0.36 per unit for total proceeds of $1,925,541. Each unit consists of one common share of the Corporation and one-half of one common share purchase warrants in the Corporation. Each whole warrant will be exercisable by the holder at a price of $0.40 per warrant for a period of two years from March 31, 2017. The Corporation also issued 400,000 common shares in settlement of a $100,000 promissory note payable.

(i) On April 3, 2017, upon receipt of the TSX Venture Exchange approval, the Corporation issued 50,000 common shares as per the Ore Hill option agreement and Aspenex purchase agreement.

(j) On April 4, upon receipt of the TSX Venture Exchange approval, the Corporation issued 400,000 common shares in settlement of a $100,000 promissory note amount owing to a third party.

(k) On May 16, 2017, options that were issued November 1, 2016 were exercised at $0.25 in exchange for 50,000 common shares for gross proceeds of $12,500.

(l) As part of the non-flow through units issued on October 21, 2016 and November 24, 2016 (note 9(f)(g)); subscribers received one warrant per unit purchased. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.30 for a period of 24 months from the date of closing. All warrants vest immediately. A value of $444,607 has been attributed to the warrants issued based on the Black-Scholes pricing model and has been credited to warrants within shareholders' equity. The fair value of these warrants were estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free rate	0.56%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	262%-266%
Weighted-average fair value	$0.29
Expected Life	2 years

(m) As part of the non-flow through units issued on March 9, 2017 and March 31, 2017 (note 9(j)(m)); subscribers received one-half warrant per unit purchased. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 for a period of 24 months from the date of closing. All warrants vest immediately. A value of $431,515 has been attributed to the warrants issued based on the Black-Scholes pricing model and has been credited to warrants within shareholders' equity. The fair value of these warrants were estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free rate	0.56%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	263%-265%
Weighted-average fair value	$0.30
Expected Life	2 years

Flow-through shares

During the period ended June 30, 2017, the Corporation issued common shares on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) for gross proceeds of $1,744,720. As at June 30, 2017, the Corporation has incurred $1,212,351 of qualified expenditures for the CEE flow-through shares. The Corporation expects the remaining CEE flow-through funds of $532,369 will be spent of qualified expenditures in the 2017 calendar year.

Stock option plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted-average Exercise Price
Outstanding as at September 30, 2016	1,525,000	$0.12
Exercisable as at September 30, 2016	1,108,333	$0.12
Granted (a)	475,000	$0.27
Granted (b)	1,305,000	$0.29
Granted (c)	175,000	$0.32
Forfeited (d)(e)	266,667	$0.25
Exercised	100,000	$0.27
Exercisable as at June 30, 2017	1,718,629	$0.17
Outstanding at June 30, 2017	3,113,333	$0.21

At June 30, 2017, the weighted-average life of the options outstanding was 3.8 years (2016 – 3.8 years).

(a) On November 1, 2016, the Corporation issued 475,000 stock options to the certain employees, consultants, and the Company's VP Exploration in accordance with the Corporation's shareholder approved stock option plan. The options are exercisable at $0.25 per share, expire in five years and vest as to one-third immediately and one-third on the first and second anniversaries on the grant date.

The fair value of these options were estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free rate	0.70%
Weighted-average life	5 years
Dividend yield	nil
Annualized Volatility	141%
Weighted-average fair value per option	$0.27
Expected Option Life	5 years
Forfeiture rate	0%

(b) On November 29, 2016, the Corporation issued 1,350,000 stock options to directors, officers, advisory committee members and IR consultants of the Corporation in accordance with the Corporation's shareholder approved stock option plan. The options are exercisable at $0.25 per share, expire in five years and vest as to one-third immediately and one-third on the first and second anniversaries on the grant date.

The fair value of these options was estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free rate	0.95%
Weighted-average life	5 years
Dividend yield	nil
Annualized Volatility	141%
Weighted-average fair value per option	$0.29
Expected Option Life	5 years
Forfeiture rate	0%

(c) On February 6, 2017, the Corporation issued 175,000 stock options to the Corporation's VP Exploration in accordance with the Corporation's shareholder approved stock option plan. The options are exercisable at $0.32 per share, expire in five years and vest as to one-third immediately and one-third on the first and second anniversaries on the grant date.

The fair value of these options was estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free rate	1.07%
Weighted-average life	5 years
Dividend yield	nil
Annualized Volatility	141%
Weighted-average fair value per option	$0.26
Expected Option Life	5 years
Forfeiture rate	0%

(d) On March 31, 2017, 200,000 stock options were forfeited due to the expiry consultants' agreements.

(e) On June 21, 2017, 66,667 stock options were forfeited due to the expiry consultants' agreements.

Share-based payments expense of $100,686 and $322,326 for the three and nine months ended June 30, 2017 (2016 – $17,288 and $21,468) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments, and recorded over the vesting period of the options.

Contributed Surplus

Description	June 30, 2017	September 30, 2016
Opening balance	**$ 4,464,557**	$ 4,407,378
Share-based payments	**322,326**	57,179
Closing balance	**$ 4,786,883**	$ 4,464,557

7. COMMITMENTS

(a) Rental Payments

The Corporation has leases for office space in Calgary, Alberta and Salmo, British Columbia which expire in October 2017 and June 30, 2018, respectively. For the three and nine months ended June 30, 2017, the total minimum rental payments under the office space leases was $12,975 and $36,938.

(b) Vehicle Operating Leases

The Corporation has leases for company vehicles which expire in May 2018 and Oct 2019. The following is a schedule, by year, of the future minimum lease payments under the operating lease agreements:

2017 - $7,047
2018 - $22,187
2019 - $10,187

8. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, all related party transactions are in the normal course of operations.

As at June 30, 2017, the Corporation had an amount of $11,300 (2016 - $50,474) due to directors and officers included in trade and other payables.

During the period ended June 30, 2017, the Corporation was provided geological consulting services in the amount of $1,164 (2016 - $nil) from a Company controlled by Edward Lawrence who is a Director of the Corporation. The total amount has been capitalized to the mineral property as exploration costs.

An aggregate of $188,000 (2016 - $15,000) in consulting fees were paid to a corporation owned by Tyler Rice, director and officer of the Corporation for compensation as CEO of the Corporation. Costs associated with various administrative support costs of $74,722 (2016 - $52,786) were also reimbursed to Mr. Rice for general and administrative expenses.

The Corporation also incurred equipment rental fees in the amount of $13,500 (2016 - $nil) and professional services in the amount of $52,088 (2016 - $nil) provided by a Company controlled by Mr. Rice. These fees have been reflected in general and administrative expenses

Compensation of key management personnel
The remuneration of directors and other members of key management personnel during the year were as follows:

	June 30, 2017 **$**	June 30, 2016 $
Short-term employee salary and benefits	**-**	15,000
Share-based payments	**332,326**	21,468
Total	**322,326**	36,468

9. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine months ended June 30, 2017 was based on net loss and comprehensive loss of $564,966 and $2,093,024 (2016 - $16,943 and $282,722) For the three and nine months ended June 30, 2017, the weighted average number of common shares outstanding was 40,679,42 and 49,655,350 (2016 – 23,107,138 and 22,097,487).

The effect of warrants and stock options outstanding (Note 6) on loss per share for the three and nine months ended June 30, 2017 is anti-dilutive.

10. SUBSEQUENT EVENT

On August 17, 2017, the Corporation granted an aggregate of 1,760,000 Common Share purchase options in accordance with the Corporation’s shareholder-approved stock option plan. These stock options include 1,050,000 options to directors, being Messrs. James Letwin, Robert Dirkett, Edward Lawrence and Douglas Foster, 250,000 to officers being Ms. Linda Caron and Messrs. Tyler Rice and Jason Linkewich, 275,000 to the advisory committee and the balance to consultants. The stock options are exercisable at a price of $0.30 per share, expire in five years, and vest over a period of three years, with 1/3 of the options vesting immediately, and 1/3 vesting at the end of each the first and second anniversary of the date of grant.