MARGAUX RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 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 December 31, 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	**December 31, 2017** **$**	September 30, 2017 $
ASSETS		
CURRENT		
Cash	**2,457,956**	1,024,387
Other receivables	**167,547**	24,536
Prepaids	**16,845**	50,735
Deposit	**76,000**	58,250
TOTAL CURRENT ASSETS	**2,718,348**	1,157,908
NON-CURRENT		
PROPERTY AND EQUIPMENT (Note 4)	**176,994**	166,415
EXPLORATION AND EVALUATION ASSETS (Note 5)	**5,637,783**	4,926,031
LONG-TERM PREPAIDS (Note 5)	**200,000**	200,000
TOTAL NON-CURRENT ASSETS	**6,014,777**	5,292,446
TOTAL ASSETS	**8,733,125**	6,450,354
LIABILITIES		
CURRENT		
Trade and other payables	**124,911**	305,718
Flow-through share liability	**227,824**	-
TOTAL CURRENT LIABILITIES	**352,735**	305,718
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	**15,998,652**	13,135,722
CONTRIBUTED SURPLUS (Note 6)	**5,059,493**	4,993,467
DEFICIT	**(12,677,755)**	(11,984,553)
TOTAL SHAREHOLDERS' EQUITY	**8,380,390**	6,144,636
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**8,733,125**	6,450,354

GOING CONCERN (Note 2)

COMMITMENTS (Note 7)

SUBSEQUENT EVENTS (Note 9)

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 Net Loss and Comprehensive Loss

For the three months ended December 31,	2017 $	2016 $
Expenses		
Operating and production	**275,879**	27,430
General and administrative	**356,030**	466,431
Share-based payments (Note 6)	**69,171**	110,750
Depreciation and depletion (Note 4)	**8,994**	5,339
Foreign exchange loss	**1,425**	1,842
Total expenses	**711,499**	611,792
Flow-through share premium (Note 6)	**(18,297)**	(15,426)
Net loss and comprehensive loss	**693,202**	596,367
Weighted average number of shares	**45,061,944**	28,501,329
Basic and diluted loss per share	**(0.02)**	(0.02)

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, 2016		7,291,304	4,464,557	(9,188,282)	2,567,579
Net loss and comprehensive loss		-	-	(2,796,271)	(2,796,271)
Common shares issued, net costs	6	3,374,733	(32,556)	-	3,342,177
Warrants	6	2,372,431	-	-	2,372,431
Equity component of note payable	6	(2,746)	3,971	-	1,225
Share-based payments	6	-	516,863	-	516,863
Capitalized share-based payments	6	-	40,632	-	40,632
Conversion of note payables	6	100,000	-	-	100,000
Balance as at, September 30, 2017		13,135,722	4,993,467	(11,984,553)	6,144,636
Net loss and comprehensive loss		-	-	(693,202)	(693,202)
Common shares issued, net costs	6	2,743,786	(9,489)	-	2,734,297
Warrants	6	119,144			119,144
Share-based payments	6	-	69,171	-	69,171
Capitalized share-based payments	6	-	6,344	-	6,344
Balance as at, December 31, 2017		15,998,652	5,059,493	(12,677,755)	8,380,390

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 December 31,	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss and comprehensive loss	**(693,202)**	(596,367)
Items not affecting cash:		
Share-based payments (Note 6)	**69,171**	110,750
Depreciation and depletion (Note 4)	**8,994**	5,339
Interest on note payable	**-**	1,165
Foreign exchange loss	**1,425**	-
Change in non-cash working capital:		
Trade receivables	**(143,011)**	(36,932)
Prepaids	**33,890**	(55,824)
Deposits	**(17,750)**	-
Trade and other payables	**(180,807)**	(172,349)
Net cash used in operating activities	**(921,290)**	(744,216)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share and warrant issuance, net of costs (Note 6)	**3,090,074**	1,924,720
Proceeds from note payable	**-**	45,000
Flow-through share premium (Note 6)	**(18,298)**	(15,426)
Net cash generated from financing activities	**3,071,776**	1,954,295
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment (Note 4)	**(19,573)**	(87,263)
Exploration and evaluation (Note 5)	**(695,919)**	(742,702)
Net cash used in investing activities	**(715,492)**	(829,965)
Effect of foreign exchange on cash	**(1,425)**	-
INCREASE IN CASH FOR THE YEAR	**1,433,569**	380,113
CASH – BEGINNING OF PEROID	**1,024,387**	710,271
CASH – END OF PERIOD	**2,457,956**	1,090,384

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

1. CORPORATE INFORMATION

Margaux Resources Ltd. (the "Corporation" or "Margaux") 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 "TSX-V"). In January 2011, the Corporation completed an initial public offering ("IPO") and currently trades on the TSX-V 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 polymetallic exploration company and regional consolidator focused on the exploration and development of previously producing properties in the Kootenay Arc, located in southern British Columbia, including the Jackpot/Oxide, Jersey-Emerald, Sheep Creek and Bayonne properties, on which Margaux has options.

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.

Certain conditions exist that may cast significant doubt on the validity of this assumption. The Corporation incurred a net loss of $693,202 for the three months ended December 31, 2017 (2016 - $596,367) and had negative cash flows from operating activities of $921,290 (2016 – 744,216). 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 materially different from those recorded in these 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, 2017.

The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2017 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2017. These condensed interim financial statements were authorized for issue by the board of directors on March 1, 2018.

4. PROPERTY AND EQUIPMENT

	Petroleum and natural gas assets $	Equipment $	Total $
Cost			
Balance as at October 1, 2017	**272,399**	**218,714**	**491,113**
Additions	-	19,573	19,573
Balance as at December 31, 2017	**272,399**	**238,287**	**510,686**
Accumulated depletion and depreciation and impairment			
Balance as at October 1, 2017	**272,399**	**52,299**	**324,698**
Charge for the year	-	8,994	8,994
Balance as at December 31, 2017	**272,399**	**61,293**	**333,692**
Net book value			
December 31, 2017	**-**	**176,994**	**176,994**

5. EXPLORATION AND EVALUATION ASSETS

	$
Balance as at October 1, 2017	4,926,031
Additions – Jersey Emerald	460,161
Additions – Jackpot	64,442
Additions – Canex	11,000
Additions – Bayonne & Sheep Creek	176,149
Balance as at December 31, 2017	**5,637,783**

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 December 31, 2017 and determined that no indicators of impairment existed.

During the three months ended December 31, 2017, the Corporation primarily focused its activities to mining on its Jersey-Emerald Property, the Jackpot/Oxide Property and the Bayonne Sheep Creek Property located in Salmo, British Columbia. The Corporation also entered into option agreements to acquire 100% of the Ore Hill property and entered into a purchase and sale agreement to acquire 100% of the Aspenex property.

<u>Jersey Emerald Property</u>

The Corporation incurred $ 460,161 of E&E on the Property during the three months ended December 31, 2017 (December 31, 2016 - $732,702) relating to exploration activity which included $150,000 payments to Apex Resources Inc. ("Apex") as part of the Jersey Emerald Option Agreement.

The Jersey Emerald Property is also subject to several additional net smelter returns ("NSR"), ranging from 1%-3% on various areas of the Jersey Emerald Property and these additional NSRs require advance royalty payments totalling $50,000 per year. As at December 31, 2017, $200,000 (2016 - $150,000) has been paid towards the advance royalty payments and are recorded in long-term prepaids on the statement of financial position.

<u>Jackpot/Oxide Property</u>

The Corporation incurred $64,442 of E&E costs on the property during the three months ended December 31, 2017 (December 31, 2016 - $10,000) relating to exploration activity.

During the three months ended December 31, 2017, the Corporation paid $30,000 cash in option payments and issued 50,000 shares.

5. EXPLORATION AND EVALUATION ASSETS (continued)

The shares were valued at $43,500 less a discount of $9,489 which has been applied due to a resale restriction on the shares (note 6).

Canex Property

The Corporation incurred $11,000 of E&E costs on the Canex Property during the three months ended December 31, 2017 (December 31, 2016 - $nil) relating to exploration activity.

Bayonne & Sheep Creek Properties

The Corporation incurred $176,149 of E&E costs on the Bayonne Property during the three months ended December 31, 2017 (December 31, 2016 - $nil) relating to exploration activity.

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.

	December 31, 2017		September 30, 2017	
Issued	**Common Shares**	**Amount**	Common Shares	Amount
Opening balance	**49,843,118**	**$10,015,899**	29,093,938	$6,541,166
Shares issued, net (a)(b)(c)	**10,139,063**	**2,743,786**	20,749,180	3,474,733
Closing Balance	**59,982,181**	**$12,759,685**	49,843,118	$10,015,899
Warrants				
Opening balance	**15,224,823**	**3,119,823**	4,775,000	747,392
Warrant Issuance (d)	**2,888,798**	**119,144**	10,449,823	2,372,431
Closing balance	**18,113,621**	**3,238,967**	15,224,823	3,119,823
Note payable – equity component	**-**	**-**	-	(2,746)
Total Share Capital		**$15,998,652**		$13,135,722

(a) On December 1, 2017, the Corporation issued 150,000 common shares as per the Jackpot/Oxide Property option agreement signed on October 12, 2016 and as per TSV-V approval received on December 1, 2016. The common shares were valued at a market price of $0.29 per common share. The shares carry a resale restriction the expire on April 1, 2018.

(b) On December 6, 2017, the Corporation closed a non-brokered private placement of 4,399,999 units of the Corporation at a purchase price of $0.30 per unit and 1,134,943 common shares of the Corporation issued on a “CEE flow-through” basis pursuant to the Income Tax Act (Canada) at a price of $0.36 per Flow-Through share for aggregate proceeds of $1,728,579 Each unit consists of one common share of the Corporation and one half of one common share purchase warrant in the Corporation. Each whole warrant is exercisable by the holder at a price of $0.40 per warrant for a period of two years from December 6, 2017, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Share of the TSX-V exceeds $0.50 per share.

(c) On December 22, 2017, the Corporation closed a non-brokered private placement of 1,377,600 units of the Corporation at a purchase price of $0.30 per unit and 3,076,521 common shares of the Corporation issued on a “CEE flow-through” basis pursuant to the Income Tax Act (Canada) at a price of $0.36 per Flow-Through share for aggregate proceeds of $1,520,828 Each unit consists of one common share of the Corporation and one half of one

6. SHARE CAPITAL, WARRANT RESERVE AND CONTRIBUTED SURPLUS (continued)

common share purchase warrant in the Corporation. Each whole warrant is exercisable by the holder at a price of $0.40 per warrant for a period of two years from December 22, 2017, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Share of the TSX-V exceeds $0.50 per share.

(d) As part of the non-flow through units issued on December 6, 2017 and December 22, 2017 (note 6(j)(m)); subscribers received one-half warrant per unit purchased. Each whole warrant entitles the holder to purchase one common share of the Corporation at a price of $0.40 for a period of 24 months from the date of closing. All warrants vest immediately. A value of $476,578 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 was estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free rate	1.05% - 1.16%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	127%
Weighted-average fair value	$0.16
Expected Life	2 years

Flow-through shares

During the three months ended December 31, 2017, the Corporation raised $1,516,127 on a CEE flow-through share basis and was required to incur a net total of $1,516,127 of qualifying expenditures to renounce the tax deductions to investors. As at December 31, 2017, $490,917 of qualifying expenditures were incurred which requires the Corporation to expend a further $1,025,210 to meet its minimum flow-through share expenditure commitment. The total flow-through share premium recorded $246,122 on the issuance of the flow-through share expenditure has been amortized in the amount of $18,297 to reflect the proportion of expenditures incurred to December 31, 2017. The amortization is reflected as flow-through premium in the statement of net loss and comprehensive loss. The Corporation expects to expend the remaining amount during the fiscal year 2018.

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	Weighted-average Life (years)
Exercisable as at September 30, 2017	2,446,654	$0.20	3.4
Outstanding at September 30, 2017	4,840,000	$0.24	3.8
Exercisable as at December 31, 2017	**2,939,988**	**$0.20**	**3.1**
Outstanding at September 30, 2017	**4,840,000**	**$0.24**	**3.5**

No options were issued during the three months ended December 31, 2017. At December 31, 2017, the weighted-average life of the options outstanding was 3.5 years (2016 – 4.8 years).

6. SHARE CAPITAL, WARRANT RESERVE AND CONTRIBUTED SURPLUS (continued)

Contributed Surplus

Description	**December 31, 2017**	September 30, 2017
Opening balance	**$ 4,993,467**	$ 4,464,557
Share-based payments	**69,171**	516,863
Capitalized share-based payments	**6,344**	40,632
Discount due to resale restriction (Note 6)	**(9,489)**	(32,556)
Equity component of note payable	**-**	3,971
Closing balance	**$ 5,059,493**	$ 4,993,467

7. COMMITMENTS

(a) Rental Payments

The Corporation has leases for office space in Calgary, Alberta which expire in October 2018. For the three months ended December 31, 2017, the total minimum rental payments under the office space lease is $6,333.

(b) Vehicle Operating Leases

The Corporation has leases for 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:

2018 - $22,187
2019 - $10,187
2020 - $849

8. RELATED PARTY TRANSACTIONS

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

As at December 31, 2017, the Corporation had an amount of $nil (2016 - $652) due to directors and officers included in trade and other payables.

During the three months ended December 31, 2017, the Corporation was provided geological consulting services in the amount of $nil (2016 - $6,705) from a Company controlled by a director of the Corporation. The Corporation paid $31,000 (2016 - $nil) to an officer for compensation as Vice President Exploration of the Corporation. The total amounts have been capitalized to the mineral property as exploration cost.

The Corporation also incurred professional services in the amount of $18,750 (2016 - $14,588) provided by a Company controlled by a director of the Corporation. These fees have been reflected in general and administrative expenses.

An aggregate of $7,500 (2016 - $13,500) in consulting fees was paid to a corporation owned by an officer of the Corporation for compensation as CFO.

An aggregate of $52,500 (2016 - $58,000) in consulting fees were paid to a corporation owned by a director and officer of the Corporation for compensation as CEO of the Corporation. Costs associated with various administrative support costs of $17,413 (2016 - $48,877) were also reimbursed to a director and officer of the Corporation recorded in general and administrative expenses on the statement of net loss and comprehensive loss. Costs associated with property and equipment of $10,250 (2016-$nil) was reimbursed to a director and officer of the Corporation recorded in property and equipment on the statement of financial position.

8. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

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

	December 31, 2017	December 31, 2016
	$	$
Share-based payments	**69,171**	110,750
Capitalized share-based payments	**6,344**	-
Total	**75,515**	66,711

9. SUBSEQUENT EVENTS

On February 1, 2018, Mr. Jason Linkewich resigned as Chief Financial Officer of the Corporation. Effective at the same date, Mr. Don Nguyen was appointed as Chief Financial Officer of the Corporation.

On February 13, 2018 the Corporation entered into an amending agreement (the "Amending Agreement") with Apex Resources Inc. ("Apex") to amend the option agreement dated November 8, 2013 as amended on each of January 22, 2014, October 26, 2015, December 31, 2015, February 11, 2016 and March 30, 2016 (the "Option Agreement"), granting Margaux an option to purchase 100% of the Jersey Emerald Property for payments totaling approximately $4 million according to terms set forth therein. Pursuant to the Amending Agreement, option payments will be payable as follows: (i) $50,000 per month commencing April 2017 for a period of 21 months for a total payment of $1,050,000; and (ii) $100,000 per month commencing on January 1, 2019 until a total of $.02 million has been paid to Apex under the Option Agreement. All other terms of the Option Agreement remain unchanged

On February 16, 2018, the Corporation issued 150,000 common shares as per the Bayonne Property option agreement signed on December 23, 2016 and as per TSX-V approval received on February 6, 2017.