

# **RADISSON MINING RESOURCES INC.**

## **CONDENSED INTERIM FINANCIAL STATEMENTS**

Condensed interim statements of financial position

Condensed interim statement of net loss

Condensed interim statement of comprehensive loss

Condensed interim statement of equity

Condensed interim statements of cash flows

Notes to financial statements

## **NOTICE TO READER**

Management has compiled the unaudited condensed interim financial statements of Radisson Mining Resources Inc., consisting of the condensed interim statements of financial position, condensed interim statement of net loss and comprehensive loss, condensed interim statement of equity, condensed interim statement of cash flows for the six-month period ended June 30, 2017. No auditor firm has reviewed or audited these interim financial statements.

# RADISSON MINING RESOURCES INC.

Condensed interim statements of financial position

(unaudited)	June 30, 2017	December 31, 2016
	\$	\$
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 3)	389,318	237,383
Funds reserved for evaluation and exploration (note 3)	505,779	1,492,420
Investments available-for-sale (note 3)	176,800	187,200
Government taxes receivable	288,769	247,276
Accounts receivable	5,586	1,190
Prepaid expenses	33,036	27,265
	1,399,288	2,192,734
Non current:		
Property, plant and equipment (note 4)	11,616	3,810
Exploration and evaluation assets (note 5)	10,798,435	9,530,749
	12,209,339	11,727,293
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	552,914	329,694
Non current:		
Income taxes and deferred taxes	3,031,730	3,031,730
Other liability related to flow-through shares issuance (note 6)	41,750	332,392
	3,626,394	3,693,816
<b>Equity:</b>		
Capital stock (note 7)	35,731,311	35,258,698
Equity settled reserve	3,895,604	3,793,884
Warrants	141,054	150,042
Deficit	(31,260,425)	(31,254,948)
Accumulated other comprehensive income	75,401	85,801
	8,582,945	8,033,477
	12,209,339	11,727,293

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

On behalf of the Board:

Mario Bouchard  
President & CEO  
Director

Donald Lacasse B.Sc.A  
CFO  
Secretary-Treasurer

# RADISSON MINING RESOURCES INC.

Condensed interim statement of net loss

For the three-month periods ended June 30 / For the six-month periods ended June 30

(unaudited)	2017	2016	2017	2016
	\$	\$	\$	\$
Revenues :				
Interest	3,042	-	4,212	-
Other	5,998	-	6,523	-
	9,040	-	10,735	-
Administration costs:				
Salaries and employee benefits	16,770	14,500	36,520	31,865
Stock-based compensation and payments	71,890	34,770	77,790	42,370
Experts and subcontractors	21,888	31,500	48,288	54,000
Professional fees	28,500	21,100	40,500	30,100
Travelling and promotion	12,252	11,041	44,537	23,412
Information to shareholders	20,019	8,540	44,557	15,021
Listing and registration fees	12,009	22,311	22,960	32,272
Stationery and office supplies	6,588	1,824	9,167	4,186
Insurance, taxes and licenses	4,594	3,950	8,427	8,167
Interest and bank charges	157	607	257	873
Part XII.6 tax	-	-	204	270
Telecommunication	-	1,116	253	5,842
Depreciation of property, and equipment	942	361	1,343	751
Maintenance of a mining site	3,255	7,504	5,978	12,607
	198,864	159,124	340,790	261,736
Loss before income taxes and deferred taxes	(189,824)	(159,124)	(330,055)	(261,736)
Income taxes and deferred taxes	210,092	36,495	316,921	181,440
<b>Net loss</b>	<b>20,268</b>	<b>(122,629)</b>	<b>(13,134)</b>	<b>(80,296)</b>
Basic and diluted net loss per share	(0.00)	(0.00)	(0.00)	(0.00)

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

# RADISSON MINING RESOURCES INC.

Condensed interim statement of comprehensive loss

For the three-month periods ended June 30 / For the six-month periods ended June 30

(unaudited)	2017	2016	2017	2016
	\$	\$	\$	\$
Net loss for the period	20,268	(122,629)	(13,134)	(80,296)
<b>Other comprehensive income</b>				
<b>Items that may be subsequently reclassified to net loss</b>				
Changes in gain or loss on available-for-sale investments, net of income taxes				
Unrealized gain (loss) arising during the period	(23,400)	107,800	(10,400)	126,000
<b>Comprehensive income</b>	<b>(3,132)</b>	<b>(14,829)</b>	<b>(23,534)</b>	<b>45,704</b>

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

# RADISSON MINING RESOURCES INC.

Condensed interim statement of equity

For the three-month period ended June 30, 2017

(unaudited)

	Capital stock	Equity settled reserve	Deficit	Warrants	Accumulated other comprehensive loss	Total equity
	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2016</b>	32,258,698	3,793,884	(31,254,948)	150,042	85,801	8,033,477
Net loss for the period	-	-	(13,134)	-	-	(13,134)
Share issue	483,000	-	-	-	-	483,000
Premium on flow-through share	(26,280)	-	-	-	-	(26,280)
Share issuance cost	(27,878)	-	-	818	-	(27,060)
Stock-based compensation and payments	-	77,790	-	-	-	77,790
Options exercised	30,000	-	-	-	-	30,000
Warrants granted	(21,781)	-	-	21,781	-	-
Warrants expired	-	23,930	-	(23,930)	-	-
Warrants exercised	35,552	-	7,657	(7,657)	-	35,552
Other comprehensive loss:						
Current unrealized gain (loss)	-	-	-	-	(10,400)	(10,400)
<b>Balance as at June 30, 2017</b>	<b>35,731,311</b>	<b>3,895,605</b>	<b>(31,260,425)</b>	<b>141,054</b>	<b>75,401</b>	<b>8,582,945</b>

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

# RADISSON MINING RESOURCES INC.

Condensed interim statement of equity

For the six-month period ended June 30, 2016

(unaudited)

	Capital stock	Equity settled reserve	Deficit	Warrants	Accumulated other comprehensive loss	Total equity
	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2015</b>	32,794,822	3,751,514	(30,703,845)	36,202	-	5,878,693
Net loss for the period	-	-	(80,296)	-	-	(80,296)
Share issuance	675,010	-	-	-	-	675,010
Share issuance cost	(56,283)	-	-	9,305	-	(46,978)
Stock-based compensation and payments	-	42,370	-	-	-	42,370
Warrants granted	(37,342)	-	-	37,342	-	-
Other comprehensive loss:						
Current unrealized gain (loss)	-	-	-	-	126,000	126,000
<b>Balance as at June 30, 2016</b>	<b>33,376,207</b>	<b>3,793,884</b>	<b>(30,784,141)</b>	<b>82,849</b>	<b>126,000</b>	<b>6,594,799</b>

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

# RADISSON MINING RESOURCES INC.

Condensed interim statements of cash flows

For the six-month period ended June 30

(unaudited)	2017	2016
	\$	\$
Cash flows related to:		
Operating activities:		
Net loss	(13,134)	(80,296)
Items not involving cash:		
Depreciation of property, plant and equipment	1,343	751
Stock-based compensation and payments	77,790	42,370
Income taxes and deferred taxes	(316,921)	(181,440)
Net change in non-cash working capital items (Note 10)	171,560	20,576
	(79,362)	(198,039)
Investing activities:		
Acquisition of property, plant and equipment	(9,150)	-
Exploration and evaluation assets (Note 5)	(1,267,686)	(361,035)
Short-term Investment (Note 3)	-	(100,000)
	(1,276,836)	(461,035)
Financing activities:		
Capital stock issuance, options and warrants exercise	548,552	675,010
Share issuance cost	(27,060)	(46,978)
	521,492	628,032
Increase (decrease) in cash	(834,706)	(31,042)
Cash, at beginning	1,729,803	341,672
Cash, at end	895,097	310,630

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

# RADISSON MINING RESOURCES INC.

## Notes to financial statements

June 30, 2017

### 1. Description of the business and going concern

The Company, incorporated under the Canada Business Corporations Act, is in the process of exploring mining properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Radisson Mining Resources Inc.'s head office is located on 1,750 chemin de la baie verte in Rouyn-Noranda, JOZ 2X0, in the province of Quebec in Canada. Its stock is listed on TSX Exchange Venture on symbol RDS.

Since its constitution, the Company has recorded an important accumulated deficit. Management periodically seeks additional forms of financing through the issuance of shares and the exercise of share purchase options and warrants to continue its operations, and in spite of the obtention in the past, there is no guarantee of success for the future. If the management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations and do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

The board of directors approved the interim financial statements for the period ending June 30, 2017 on August 24, 2017.

### 2. Basis of preparation and changes to accounting policies

These condensed interim financial statements have been prepared by management in accordance with international financial reporting standards (« IFRS ») and with IAS 34, Interim Financial Reporting. They do not include all information required by IFRS in the production of annual financial statements.

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2016 and the interim financial statements for the trimester ended June 30, 2016. The accounting policies are presented in the audited financial statements for the year ended December 31, 2016 and have not been modified since.

The preparation of interim financial statements in accordance with IAS 34 uses critical accounting estimates. It also requires management to exercise judgment in applying accounting policies used by the Company.

### 3. Cash, cash equivalents, Investments and Funds reserved for evaluation and exploration

As at June 30 2017 and December 31 2016, the cash and cash equivalents included in the treasury includes a banking account bearing no interest and flexible guaranteed interest certificate redeemable at any time bearing different interest rates.

	June 30, 2017	December 31, 2016
	\$	\$
Banking account bearing no interest	145,097	229,803
1 % GIC, redeemable at any time	-	100,000
0.95 % GIC, redeemable at any time	750,000	1,400,000
Total	895,097	1,729,803
	\$	\$
Treasury	895,097	1,729,803
Minus: Funds reserved for evaluation and exploration	(505,779)	(1,492,420)
Cash and cash equivalents	389,318	237,383
	\$	\$
Investments available-for-sale		
260,000 shares of Balmoral Resources Ltd, public company	176,800	187,200



# RADISSON MINING RESOURCES INC.

## Notes to financial statements

June 30, 2017

### 4. Property, plant and equipment

	June 30, 2017		December 31, 2016	
	Cost	Accumulated depreciation	Net book value	Net book value
Computer equipment	21,390	18,875	2,515	2,940
Equipment	17,308	8,207	9,101	870
	<b>\$ 38,698</b>	<b>\$ 27,082</b>	<b>\$ 11,616</b>	<b>\$ 3,810</b>

### 5. Exploration and evaluation assets

Mining properties:	Balance as at December 31, 2016	Increase	Tax credit	Balance as at June 30, 2017
	\$	\$	\$	\$
O'Brien	162,739	-	-	162,739
Douay	-	-	-	-
	162,739	-	-	162,739
Exploration and evaluation costs:				
O'Brien	9,368,010	1,261,835	-	10,629,845
Douay	-	5,851	-	5,851
	9,368,010	1,267,686	-	10,635,696
	9,530,749	1,267,686	-	10,798,435

Statements of exploration and evaluation costs

For the three-month periods ended June 30 / For the six-month periods ended June 30

	2017	2016	2017	2016
	\$	\$	\$	\$
Drilling	598,233	57,368	855,379	220,638
Salaries	4,531	-	4,531	-
Consultants and subcontractors	183,520	35,298	310,200	116,483
Assays	28,475	7,027	53,514	12,818
General exploration expenditures	25,610	2,511	44,062	11,096
Increase in exploration and evaluation expenses	840,369	102,204	1,267,686	361,035
Balance, at beginning	9,795,327	8,476,552	9,368,010	8,217,721
Balance, ending	10,635,696	8,578,756	10,635,696	8,578,756

### 6. Other liability related to flow-through shares issuance

	\$
Balance as at December 31, 2016	332,392
Decrease for expenses incurred	(290,642)
Balance as at June 30, 2017	41,750

# RADISSON MINING RESOURCES INC.

## Notes to financial statements

June 30, 2017

### 7. Capital stock

Authorized:

Unlimited number of class A shares, voting and participating, no par value

Unlimited number of class B shares which may be issued in series, cumulative or non-cumulative dividend at the prime rate of the Bank of Canada at the beginning of the year plus a percentage between 1 and 5%, non-participating, non-voting, redeemable at the option of the company for an amount equal to the price paid plus any dividend declared and unpaid, no par value.

Changes in Company class A shares were as follows:

	Class A shares	Amount
Issued and paid:		
Balance as at December 31, 2016	107,020,880	\$ 35,258,698
Warrants exercised	273,477	\$ 35,552
Options exercised	300,000	\$ 30,000
Shares paid in cash <sup>(1)</sup>	2,562,500	\$ 388,219
Flow-through shares <sup>(2)</sup>	292,000	\$ 46,720
Share issuance cost <sup>(3)</sup>	-	\$ (27,878)
Balance as at June 30, 2017	110,448,857	\$ 35,731,311

<sup>(1)</sup> Value of shares paid in cash is presented net of fair value of warrants amounting to \$21,781.

<sup>(2)</sup> Value of Flow-through shares is presented net of premium at closing amounting to \$26,280.

<sup>(3)</sup> Value of share issuance costs is presented net of fair value of broker's warrants amounting to \$ 818.

Class A stock options:

An aggregate number of 6 million class A shares has been reserved under the stock option plan for potential issuance. The exercise price of each option is the market price of the Company's stock at the date of grant of options and the maximum term of a new option is 5 years. Unless otherwise determined by the Board of Directors, options granted under the modified plan vest immediately.

A summary of the situation as at June 30, 2017 is presented below:

Options	Number	Weighted average exercise price
Outstanding as at December 31, 2016	2,670,000	\$ 0.11
Granted	865,000	\$ 0.16
Expired	(300,000)	\$ 0.10
Exercised	(300,000)	\$ 0.10
Outstanding as at June 30, 2017	2,935,000	\$ 0.12
Options exercisable as at June 30, 2017	2,935,000	\$ 0.12

# RADISSON MINING RESOURCES INC.

## Notes to financial statements

June 30, 2017

### 7. Capital stock (continued)

The following table summarizes the information relating to the stock options as at June 30, 2017:

Number of options outstanding	Exercise price \$	Weighted average remaining life (years)	Number of options exercisable
790,000	0.16	4.9	790,000
745,000	0.14	3.9	745,000
375,000	0.13	2.9	375,000
1,025,000	0.10	0.8	1,025,000
2,935,000	0.12		2,935,000

The following table presents the weighted average fair value at grant date and the weighted average assumptions used to determine the stock-based compensation expense using the Black-Scholes option pricing model:

	Six-month period ended June 30, 2017	Six-month period ended June 30, 2016
Expected volatility	66 %	50 %
Share price at date of grant	\$ 0.16	\$ 0.14
Risk-free interest rate	0.94 %	0.72 %
Expected dividend rate	0 %	0 %
Estimated duration	5 years	5 years
Weighted average fair value at grant date	\$ 0.09	\$ 0.06

Warrants:

A summary of the situation as at June 30, 2017 is presented below:

	Number	Weighted average exercise price
Outstanding as at December 31, 2016	7,114,746	\$ 0.19
Exercised	(273,477)	\$ 0.13
Granted	1,329,375	\$ 0.22
Expired	(1,709,230)	\$ 0.18
Outstanding as at June 30, 2017	6,461,414	\$ 0.20
Warrants exercisable as at June 30, 2017	6,461,414	\$ 0.20

The following table summarizes the information relating to the warrants as at June 30, 2017:

Exercise price \$	Outstanding	Expiry date
0.20	1,341,701	November 2017
0.15	170,338	November 2017
0.20	908,333	December 2017
0.15	144,667	December 2017
0.20	1,700,000	February 2018
0.20	867,000	March 2018
0.22	1,329,375	December 2019
	6,461,414	

# RADISSON MINING RESOURCES INC.

## Notes to financial statements

June 30, 2017

### 7. Capital stock (continued)

	Three-month period ended June 30, 2017
Warrants value	\$ 22,599
Expected volatility	44%
Risk-free interest rate	0.88%
Expected dividend rate	0%
Estimated duration	One and half year
Weighted average fair value at grant date	\$ 0.02

### 8. Related party transactions

The remuneration paid or payable to managers (president, vice-president and chief financial officer and also directors) is as follows:

	June 30, 2017	Six-month period ended June 30, 2016
	\$	\$
Experts and subcontractors included in evaluation and exploration costs	8,500	-
General exploration expenditures	4,004	-
Experts and subcontractors	45,500	54,000
Stationery and office supplies	4,184	-
Stock-based compensation	77,790	42,370
	139,978	96,370

The above transactions are measured at the consideration established and agreed by the related parties.

### 9. Basic and diluted net loss per share

	Six-month period ended June 30, 2017
Net loss for the period	\$ (13,134)
Weighted average number of shares	107,281,384
Loss per share	\$ 0,00

### 10. Complementary information related to cash flows

	June 30, 2017	June 30, 2016
	\$	\$
Net change in non-cash working capital items :		
Accounts receivable	(4,396)	-
Government taxes receivable	(41,493)	1,894
Prepaid expenses	(5,771)	16,008
Accounts payable and accrued liabilities	223,220	2,674
	171,560	20,576

# **RADISSON MINING RESOURCES INC.**

## **Notes to financial statements**

**June 30, 2017**

### **11. Subsequent events**

On July 24<sup>th</sup> 2017, the Corporation announced the closing of a first tranche of private placement in the amount of \$ 1,000,000. Under the terms of the offering, the corporation issued 5,000,000 flow-through units (the "Unit") at a price of \$0.20. Each Unit consists of one flow-through class A share of the share capital of Radisson and one share purchase warrant ("Warrant"). Each full Warrant entitles its holder thereof to purchase one common class A share at a price of \$0.22 for a period of 18 months following the closing date of the private placement. In accordance with Canadian securities laws, the securities issued under this private placement are subject to a four-month hold period expiring on November 25, 2017.