fjordland EXPLORATION INC.

Condensed Interim Financial Statements

(Unaudited)
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2019

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Financial Statements
March 31, 2019
(Canadian Funds)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Fjordland Exploration Inc. (“the Company” or “Fjordland”), for the three months ended March 31, 2019, have been prepared by management and have not been the subject of a review by the Company’s Independent auditor.

FJORDLAND EXPLORATION INC.
Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	Note	March 31, 2019	December 31, 2018 (Audited)
Assets			
Current			
Cash		$ 772,498	$ 800,082
Receivables	5	74,027	32,265
Prepaids		-	151
		846,525	832,498
Project Advance	7(a)	7,976	-
Mineral Properties	7	1,639,006	1,639,006
Deposits	6	29,909	99,774
		$ 2,523,416	$ 2,571,278
Liabilities			
Current			
Accounts payable and accrued liabilities	8	$ 27,556	$ 34,093
Advances – HPX BC holdings Ltd.	7(a)	-	6,229
		27,556	40,322
Shareholders' equity			
Share Capital	10	18,652,208	18,622,865
Share-based Payments Reserve		864,475	888,670
Deficit		(17,020,823)	(16,980,579)
		2,495,860	2,530,956
		$ 2,523,416	$ 2,571,278

Nature and continuance of operations *(Note 1)*

Approved and authorized by the Board on May 8, 2019

On behalf of the Board: *"Richard C. Atkinson"* Richard C. Atkinson *"Victor A. Tanaka"* Victor A. Tanaka

See accompanying notes to the condensed interim financial statements

FJORDLAND EXPLORATION INC.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	Note	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
General and administrative expenses			
Accounting and audit	9	$ 9,000	$ 9,000
Administration fees	9	9,000	9,000
Depreciation		-	76
Filing fees		5,200	8,079
Legal		-	945
Office and printing		451	1,632
Rent		6,114	5,375
Marketing		4,680	13,835
Share-based compensation	10(b)	5,148	52,049
Transfer agent fees		846	2,514
Wages and benefits		-	829
Loss before other items		(40,439)	(103,334)
Other items			
Operator fees		195	390
Loss and comprehensive loss for the period		$ (40,244)	$ (102,944)
Basic and diluted loss per share		$ 0.00	$ 0.00
Weighted Average Shares Outstanding		47,463,339	47,213,339

See accompanying notes to the condensed interim financial statements

FJORDLAND EXPLORATION INC.
Condensed Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Cash provided by (used for):		
Operating activities		
Loss for the period	$ (40,244)	$ (102,944)
Items not affecting cash:		
Deprecation	-	76
Share-based compensation	5,148	52,049
Net change in non-cash working capital		
Receivables	(41,762)	(8,034)
Project advances	(7,976)	-
Prepaid expenses	151	7,770
Accounts payable	(3,843)	(533)
	(88,526)	(15,616)
Investing activities		
Advance – HPX BC Holdings	(6,229)	-
Recoveries mineral properties	14,206	-
Acquisition and exploration costs related to mineral properties	(16,900)	(275,344)
Deposits	69,865	-
	60,942	(275,344)
Financing activities		
Shares issued for cash	-	-
	-	-
Change in cash	(27,584)	(326,960)
Cash position - beginning of period	800,082	1,029,097
Cash position - end of period	$ 772,498	$ 702,137

Income taxes paid	$ -	$ -
Interest paid	$ -	$ -

See accompanying notes to the condensed interim financial statements

FJORDLAND EXPLORATION INC.
Condensed Interim Statements of Shareholders' Equity
For the Periods Ended March 31
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital		Share-based Compensation		Total Shareholder's
	No. of Shares	Amount	Reserve	Deficit	Equity
Balance, December 31, 2017	47,213,339	$18,575,365	$614,915	$(16,285,098)	$2,905,182
Issued for other consideration					
Transfer to deficit on expiry of options	-	-	(24,811)	24,811	-
Share-based compensation	-	-	52,049	-	52,049
Loss for the period	-	-	-	(102,944)	(102,944)
Balance, March 31, 2018	47,213,339	$18,575,365	$642,153	$(16,363,231)	$2,854,287

	Share Capital		Share-based Compensation		Total Shareholder's
	No. of Shares	Amount	Reserve	Deficit	Equity
Balance, December 31, 2018	47,463,339	$18,622,865	$888,670	$(16,980,579)	$2,530,956
Issued for other consideration					
Transfer to share capital on expiry of warrants	-	29,343	(29,343)	-	-
Share-based compensation	-	-	5,148	-	5,148
Loss for the period	-	-	-	(40,244)	(40,244)
Balance, March 31, 2019	47,463,339	$18,652,208	$864,475	$(17,020,823)	$2,495,860

See accompanying notes to the condensed interim financial statements

1. NATURE OF CONTINUANCE OF OPERATIONS

Fjordland Exploration Inc. (the "Company" or "Fjordland") was incorporated on September 19, 1996 pursuant to the *Company Act* (British Columbia) and the common shares were listed for trading on the TSX Venture Exchange ("Exchange"). The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow.

The Company's head office, principal address and registered and records office is 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, and raise additional funds by way of equity financings. Any acquisition may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired. The Company has a deficit of $17,020,823 and has incurred a loss of $40,244 for the period ended March 31, 2019. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. STATEMENT OF COMPLIANCE

These financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical basis, using the accrual basis of accounting except for cash flow information. The accounting policies set out in Note 3 have been applied consistently to all years presented in these financial statements unless otherwise indicated.

These financial statements were authorized for issue by the Board of Directors on May 8, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The condensed interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

(b) Use of Estimates and Judgment

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Use of Estimates and Judgment (continued)

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based payments.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

ii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Going concern

The Company has exercised judgement in determining that its available funds are insufficient to continue operations for the ensuing year.

(c) Segmented information

The Company has one operating segment, mineral acquisition and exploration, and operates in one geographical segment, being Canada.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) New and amended accounting pronouncements

The Company has not yet adopted the following new standard and interpretations issued by the IASB or International Financial Reporting Interpretation Committee ("IFRIC"):

IFRS 16 Leases

IFRS 16 was issued in January 2016 and replaces IAS 17. The standard requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company expects the standard will increase assets and related liabilities and increase disclosure. The Company is not impacted by this change in accounting pronouncement.

(e) Financial Instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

On January 1, 2018, the Company adopted IFRS 9, which replaced *IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"*), on a retrospective basis using certain available transitional provisions. In accordance with the transitional provisions, the comparative information for prior periods have not been restated and the information presented for 2017 reflects the requirements of IAS 39 rather than IFRS 9.

The nature and effect of the changes to IFRS 9 are as follows:

Financial instrument classification and measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

IFRS 9 provides a revised model for the classification and measurement of financial assets that eliminates the previous categories of financial assets under IAS 39 of "available-for-sale", "held-to-maturity", or "loans and receivables." Under IFRS 9, on initial recognition, a financial asset is classified as and measured at: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held.

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is available on an investment-by-investment basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments (continued)

Financial liabilities are designated as either fair value through profit or loss, or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The following table summarizes the impact of transition from IAS 39 to IFRS 9:

Measurement Category			
Asset/Liability	**Original (IAS 39)**	**New (IFRS 9)**	**Subsequent measurement**
Cash	FVTPL	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost	Amortized cost
Deposits	Held to maturity	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Amortized cost

4. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, deposits, accounts payable, accrued liabilities and advances. The fair value of these financial instruments, other than cash, approximates their carrying value, unless otherwise noted. Cash is measured at fair value using level 1 inputs.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company’s cash is primarily held in major Canadian financial institutions. The Company’s receivables consist of recoveries and reimbursements for mineral property costs. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements. The Company is exposed to liquidity risk.

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Foreign Exchange Risk

The Company is not exposed to significant foreign exchange risk as it operates in Canada and does not undertake any significant foreign currency transactions.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as shareholder's equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company is not subject to any externally imposed capital restrictions.

5. RECEIVABLES

The Company's receivables are as follows:

		March 31, 2019		December 31, 2018
GST receivable	$	4,162	$	32,265
Exploration deposits refund		69,865		-
	$	74,027	$	32,265

6. DEPOSITS

		March 31, 2019		December 31, 2018
Office lease deposit	$	3,910	$	3,910
Exploration deposits		25,999		95,864
	$	29,909	$	99,774

7. MINERAL PROPERTIES

	South Voisey's Bay LB
Cost	
Balance, December 31, 2018	$1,639,006
Additions:	
Administration	195
Drilling	1114
Geology	12,896
Cost recoveries	(14,205)
Balance, March 31, 2019	$1,639,006

(a) South Voisey's Bay, Labrador

The Company, in September 2014 as amended November 2014, entered into a Memorandum of Understanding ("MOU") with Commander Resources Ltd ("Commander") whereby the Company was granted an option to earn a 75% undivided interest in the South Voisey's Bay property.

The Company has earned a 15% interest in the property by having expended $350,000 in exploration costs prior to the option agreement expiration on August 15, 2015.

The Company, in June 2017, entered into a Letter of Intent ("LOI") with Commander Resources Ltd ("Commander") whereby the Company was granted a series of options to earn an additional 85% undivided interest in the South Voisey's Bay property by incurring the following cash, exploration expenditures and share issuance:

i) 20% interest - 200,000 common shares (issued at a value of $19,000) and $600,000 (incurred) in exploration expenditures on or before October 31, 2017

ii) 40% interest - $10,000 (paid) and 250,000 common shares (issued at a value of $47,500) on or before July 26, 2018
$15,000 and 300,000 common shares on or before July 26, 2019
$25,000 and 350,000 common shares on or before July 26, 2020
$40,000 and 400,000 common shares and $2,400,000 in exploration expenditures on or before October 31, 2021

iii) 25% interest - $200,000 and 3,000,000 common shares and $5,000,000 in exploration expenditures on or before October 31, 2024.

A 2% net smelter returns royalty ("NSR") will be granted upon exercising the final payment. 1% of the NSR may be repurchased for consideration of $5,000,000. Upon commencement of commercial production, an advanced royalty payment will be made in the amount of $10,000,000.

7. MINERAL PROPERTIES (continued)

(a) South Voisey's Bay, Labrador (continued)

On September 5, 2017 the Company entered into an agreement with HPX BC Holdings Inc. ("HPX"), an affiliate of Ivanhoe Industries, LLC. Under the terms of the agreement, HPX has subscribed by means of a private placement and has been issued 14,000,000 units of the Company for proceeds of $1,400,000 (Note 12(b)). In addition, HPX has the option to incur, on behalf of the Company, $7,400,000 ($2,600,000 - paid) in exploration expenditures and to make $290,000 ($10,000 - paid) of property payments. If the funding is completed and the Company acquires a 100% interest in the South Voisey's Bay project, the Company has agreed to assign a 65% project interest to HPX.

HPX may also nominate two directors if they maintain equity ownership of between 10-50%, and three directors if greater than 50%.

HPX also maintains an anti-dilution right, such that they have the right to participate in future financings to maintain their ownership percentage.

As at December 31, 2017, the Company has earned an additional 20% interest in the property having issued 200,000 common shares and expended $600,000 in exploration cost, and has a total interest earned of 35%.

On March 26, 2018, the Company signed a letter of intent with Vulcan Minerals Inc. ("Vulcan") granting the Company the option to acquire a 65% interest in certain mining claims located in the South Voisey's area, Labrador. Under the terms of the agreement, the Company has the option to pay to Vulcan $45,000 ($10,000 - paid) and incur $150,000 in exploration expenditures over a period of three years

On March 28, 2018 the Company signed a letter of intent with Unity Resources Inc. ("Unity") granting the Company the option to acquire a 65% interest in one mining claim located in the South Voisey's area, Labrador. Under the terms of the agreement, the Company has the option to pay to Unity $36,000 ($9,000 - paid) and incur $75,000 in exploration expenditures over a period of three years.

On July 24, 2018 the Company signed a letter of intent with a consortium of private claim holders. ("The Consortium") granting the Company the option to acquire a 100% interest in certain mining claims located in the South Voisey's area, Labrador. Under the terms of the agreement, the Company has the option to pay to The Consortium $110,000 ($20,000 - paid) and incur $120,000 in exploration expenditures over a period of three years. The Consortium retains a 3% NSR that may be reduce to 1% by paying $600,000 for the first 1% reduction and $1,200.000 for the second 1% reduction.

During fiscal 2018, the Company terminated the Vulcan and Unity agreements, and wrote off capitalized acquisition and exploration costs of $75,152 (2017 - $nil).

(b) Milligan West, BC

In February 2013, the Company and Serengeti Resources Inc. consolidated certain claims located in north central British Columbia into the Milligan West project. Initially ownership was shared equally however, as a result of the Company electing not to participate in the 2016 and 2017 exploration program it's interest has been diluted to 43.7%.

During fiscal 2018, the Company wrote off the property with a value of $151,334 (2017 - $nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

		March 31, 2019		December 31, 2018
Trades payable	$	56	$	6,427
Accruals		27,500		27,500
Related parties payable		-		166
	$	27,556	$	34,093

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. Their remuneration, including share-based compensation, of key management person during the three months ended March 31, 2019 and 2018 were as follows:

		2018		2018
Administration fees	$	9,000	$	9,000
Accounting fees		9,000		9,000
Share-based compensation		-		30,496
	$	18,000	$	48,496

Amounts due to related parties are included in accounts payable (Note 8), are unsecured and non-interest bearing.

10. SHARE CAPITAL

(a) Authorized

As at March 31, 2019, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

(b) Stock Options

Options to purchase common shares have been granted to directors, officers, employees, and consultants at exercise prices determined by reference to the market value on the date of the grant.

In June 2018, the Company received shareholder approval for a 10% Rolling Stock Option Plan.

10. SHARE CAPITAL (continued)

(b) Stock Options (continued)

Stock option transactions are summarized as follows:

	March 31, 2019		December 31, 2018	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	3,260,000	$0.30	3,305,000	$0.34
Granted	-	-	1,375,000	$0.165
Expired/Forfeited	-	-	(1,420,000)	$0.26
Outstanding at end of period	3,260,000	$0.30	3,260,000	$0.30

As at March 31, 2019, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercisable	Expiry Date	Exercise Price
919,000	919,000	September 16, 2019	$0.25
966,000	966,000	September 12,2022	$0.55
1,375,000	1,343,750	June 28, 2023	$0.165
3,260,000	3,228,750		

No options were granted in the quarter ended March 31, 2019 and March 31, 2018. Total share-based compensation expense recognized for the options that vested during the period was $5,148 (2017 - $52,049).

(d) Warrants

Exercise Price	Expiry Date	Outstanding at December 31, 2018	Warrants Issued	Warrants Exercised	Warrants Expired	Outstanding at March 31, 2019
$0.20	February 18, 2019	3,875,000	-	-	(3,875,000)	-
$0.20	March 11,2019	1,483,000	-	-	(1,483,000)	-
$0.20	March 27, 2019	7,000,000	-	-	(7,000,000)	-
		12,358,000			(12,358,000)	-
	Weighted average	$0.20	-	-	$.20	-

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company had non-cash transactions as follows:

		2019		2018
Significant non-cash investing and financing activities:				
Investing activities				
Mineral properties expenditures included in accounts payable and accrued liabilities	$	56	$	19,873
Advance applied to mineral property		7,976		100,000
Financing activities				
Expiration of options and warrants	$	29,343	$	24,811