



Condensed Interim Financial Statements
(Unaudited)
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018

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Financial Statements
March 31, 2018
(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, 2018, 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, 2018	December 31, 2017 (Audited)
Assets			
Current			
Cash		\$ 702,137	\$ 1,029,097
Receivables	5	150,311	142,277
Prepays		12,708	20,478
		865,156	1,191,852
Project Advance	8(a)	100,000	100,000
Mineral Properties	8	1,849,797	1,752,664
Deposits	7	84,190	84,190
Equipment	6	998	1,074
		\$ 2,900,141	\$ 3,129,780
Liabilities			
Current			
Accounts payable and accrued liabilities	9	\$ 45,854	\$ 224,598
		45,854	224,598
Shareholders' equity			
Share Capital	12	18,575,365	18,575,365
Share-based Payments Reserve		642,153	614,915
Deficit		(16,363,231)	(16,285,098)
		2,854,287	2,905,182
		\$ 2,900,141	\$ 3,129,780

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on April 20, 2018

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, 2018	Three Months Ended March 31, 2017
General and administrative expenses			
Accounting and audit		\$ 9,000	\$ 9,000
Administration fees	10	9,000	9,000
Depreciation	6	76	107
Filing fees		8,079	5,400
Legal		945	183
Office and printing		1,632	487
Rent		5,375	4,762
Marketing		13,835	-
Share-based compensation	10, 11(b)	52,049	-
Transfer agent fees		2,514	1,081
Wages and benefits		829	268
Loss before other items		(103,334)	(30,288)
Other items			
Operator fees		390	-
Financing expenses and interest on loans payable		-	(4,932)
Loss and comprehensive loss for the period		\$ (102,944)	\$ (35,220)
Basic and diluted loss per share		\$ 0.00	\$ 0.00
Weighted Average Shares Outstanding		47,213,339	20,756,383

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, 2018	Three Months Ended March 31, 2017
Cash provided by (used for):		
Operating activities		
Loss for the period	\$ (102,944)	\$ (35,220)
Items not affecting cash:		
Deprecation	76	107
Financing expenses and interest on loans payable	-	4,933
Share-based compensation	52,049	-
Net change in non-cash working capital		
Receivables	(8,034)	320
Prepaid expenses	7,770	139
Accounts payable	(533)	(1,515)
	(15,616)	(31,236)
Investing activities		
Acquisition and exploration costs related to mineral properties	(275,344)	-
	-	-
Financing activities		
Shares issued for cash	-	-
	-	-
Change in cash	(326,960)	(31,236)
Cash position - beginning of period	1,029,097	204,394
Cash position - end of period	\$ 702,137	\$ 173,158
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	Deficit	Total
	No. of Shares	Amount	Compensation		
			Reserve		Equity
Balance, December 31, 2016	20,756,383	\$15,820,888	\$308,108	\$(15,742,338)	\$386,658
Loss for the period	-	-	-	(35,220)	(35,220)
Balance, March 31, 2017	20,756,383	\$15,820,888	\$308,108	\$(15,777,558)	\$351,438
	Share Capital		Share-based	Deficit	Total
	No. of Shares	Amount	Compensation		
			Reserve		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

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.

On June 21, 2017, the Company consolidated its share capital on a 5:1 basis. All shares and per share amounts have been restated to reflect the share consolidation.

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 available funds are insufficient to continue operations for the ensuing year. 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 International Financial Reporting Standards (“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 April 20, 2018.

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, and recognition of deferred tax amounts.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

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.

iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

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.

(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) Adoption of New IFRS Pronouncements

The adoption of the following new IFRS pronouncements did not have an effect on the Company's financial statements:

- i) IFRS 15, Revenue from Contracts with Customers is effective for annual periods beginning on or after January 1, 2018.
- ii) IFRS 9, Financial Instruments (effective date January 1, 2018) introduces new requirements for the classification and measurement of financial assets and liabilities.

(e) New Standards Not Yet Adopted

The Company has not yet adopted the following revised or new IFRS that have been issued but are not yet effective at March 31, 2018:

- i) IFRS 16, Leases is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. This standard is effective for the years beginning on or after January 1, 2019.

The Company expects these new accounting standards will have no significant impact on the financial statements other than increased note disclosure.

4. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, deposits, accounts payable, accrued liabilities and loans. 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, 2018	December 31, 2017
GST receivable	\$	\$	150,311	\$ 142,277
	\$	\$	150,311	\$ 142,277

FJORDLAND EXPLORATION INC.
Notes to Condensed Interim Financial Statements
Period Ended March 31, 2018
Canadian Funds

6. EQUIPMENT

	Furniture and fixtures	Office equipment	Total
Cost			
Balance, December 31, 2017	\$6,161	\$42,039	\$48,200
Additions	-	-	-
Disposals	-	-	-
Balance, March 31, 2018	\$6,161	\$42,039	\$48,200
Accumulated depreciation			
Balance, December 31, 2017	\$5,981	\$41,145	\$47,126
Depreciation	9	67	76
Balance, March 31, 2018	\$5,990	\$41,212	\$47,202
Carrying amounts			
As at December 31, 2017	\$180	\$894	\$1,074
As at March 31, 2018	\$171	\$827	\$ 998

7. DEPOSITS

	March 31, 2018	December 31, 2017
Office lease deposit	\$ 3,050	\$ 3,050
Exploration deposits	81,140	81,140
	\$ 84,190	\$ 84,190

8. MINERAL PROPERTIES

	Milligan West BC.	South Voisey's Bay LB	Total
Cost			
Balance, December 31, 2017	\$192,912	\$1,559,752	\$1,752,664
Additions:			
Acquisition costs	-	10,000	10,000
Permitting	-	1,330	1,330
Administration	-	3,277	3,277
Drilling	-	22,058	22,058
Geology	-	34,068	34,068
Geophysics	-	26,400	26,400
Balance, March 31, 2018	\$192,912	\$1,656,885	\$1,849,797

8. MINERAL PROPERTIES (continued)

(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) and \$600,000 (incurred) in exploration expenditures on or before October 31, 2017
- ii) 40% interest - \$10,000 and 250,000 common shares 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, 400,000 common shares and \$2,400,000 in exploration expenditures on or before October 31, 2021
- iii) 25% interest - \$200,000, 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.

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 in exploration expenditures and to make \$290,000 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.

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%.

As at December 31, 2017, the Company has advanced \$100,000 (2016 - \$Nil) to an exploration vendor.

HPX has the right to nominate two directors if they maintain equity ownership of between 10-50%, and three directors if their ownership is greater than 50%.

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

FJORDLAND EXPLORATION INC.
Notes to Condensed Interim Financial Statements
Period Ended March 31, 2018
Canadian Funds

8. MINERAL PROPERTIES (continued)

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

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 30 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 (paid - \$10,000) and incur \$150,000 in exploration expenditures over a period of three years. If the option is exercised a joint venture will be formed whereby Vulcan will be carried for 100% of its joint venture expenditures on the claims until Fjordland either earns its full interest from Commander Resources Ltd. ("Commander") on surrounding contiguous lands or by expending a minimum expenditure of \$7 million on those lands.

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 and incur \$75,000 in exploration expenditures over a period of three years. If the option is exercised a joint venture will be formed whereby Unity will be carried for 100% of its joint venture expenditures on the claims until Fjordland either earns its full interest from Commander Resources Ltd. ("Commander") on surrounding contiguous lands or by expending a minimum expenditure of \$7 million on those lands.

(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 exploration program it's interest has been diluted to 43.7%.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	March 31, 2018	December 31, 2017
Trades payable	\$ 23,604	\$ 192,248
Accruals	22,250	22,250
Related parties payable	-	10,100
	\$ 45,854	\$ 224,598

FJORDLAND EXPLORATION INC.
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Period Ended March 31, 2018
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10. 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, 2018 and 2017 were as follows:

	2018	2017
Administration fees	\$ 9,000	\$ 9,000
Accounting fees	9,000	9,000
Share-based compensation	30,496	-
	\$ 48,496	\$ 18,000

Amounts due to related parties are included in accounts payable (Note 9), are unsecured and non-interest bearing.

11. SHARE CAPITAL

(a) Authorized

As at March 31, 2018, 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 2017, the Company received shareholder approval to grant up to 4,151,276 common shares under the Company's Stock Option Plan.

Stock option transactions are summarized as follows:

	March 31, 2018		December 31, 2017	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	3,305,000	\$0.34	2,229,000	\$0.26
Granted	-	-	1,116,000	\$0.25
Expired/Forfeited	(150,000)	\$0.35	(40,000)	\$0.63
Outstanding at end of period	3,155,000	\$0.27	3,305,000	\$0.34

FJORDLAND EXPLORATION INC.
Notes to Condensed Interim Financial Statements
Period Ended March 31, 2018
Canadian Funds

11. SHARE CAPITAL (continued)

(b) Stock Options (continued)

As at March 31, 2018, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercisable	Expiry Date	Exercise Price
1,270,000	1,270,000	August 2, 2018	\$0.25
919,000	919,000	September 16, 2019	\$0.25
966,000	483,000	September 12, 2022	\$0.55
3,155,000	2,672,000		

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

(d) Warrants

Exercise Price	Expiry Date	Outstanding at December 31, 2017	Warrants Issued	Warrants Exercised	Warrants Expired	Outstanding at March 31, 2018
\$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	-	-	-	\$0.20