

CNRP MINING INC.
Audited Financial Statements
Year Ended
July 31, 2017

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of CNRP Mining Inc.

We have audited the accompanying financial statements of CNRP Mining Inc. which comprise the statements of financial position as at July 31, 2017 and July 31, 2016, and the statements of loss and comprehensive loss, changes in equity and cash flows for each of the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CNRP Mining Inc., as at July 31, 2017 and July 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 in the financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 2, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Toronto, Canada
November 27, 2017

"Abraham Chan LLP"

Abraham Chan LLP
Chartered Professional Accountants
Licensed Public Accountants

CNRP Mining Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As At July 31,	2017	2016
ASSETS		
Current assets		
Cash	\$ 1,405,916	\$ -
Government HST Recoverable (note 8)	3,323	3,604
Loan receivable (note 16)	250,715	-
Total assets	\$ 1,659,954	\$ 3,604
EQUITY AND LIABILITIES		
Current liabilities		
Bank indebtedness	\$ -	\$ 561
Amounts payable and other liabilities (notes 10 and 11)	40,148	55,970
Due to related parties (note 11)	18,008	79,077
Loan Payable (note 15)	150,000	-
Mineral properties purchase price payable (note 14)	700,000	700,000
Total liabilities	908,156	835,608
Shareholders' (Deficiency)		
Common share capital (note 12)	9,433,967	8,441,550
Reserve for share-based payments (note 12)	700,271	4,095
Contributed surplus (note 12)	630,825	626,730
Deficit	(10,013,265)	(9,904,379)
Total shareholders' (deficiency)	751,798	(832,004)
Total liabilities and shareholders' equity	\$ 1,659,954	\$ 3,604

Nature of operations (note 1)
 Going concern (note 2)
 Subsequent events (note 19)

Approved on behalf of the Board of Directors:

"Randy Clifford" (signed) Director
Randy Clifford, Director

"Nishal Kumar" (signed) Director
Nishal Kumar, Director

CNRP Mining Inc.**Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)**

Year Ended July 31,	2017	2016
Operating Expenses		
Bank charges	\$ 1,374	\$ 2,335
Filing and listing fees	27,457	9,445
Office and general expenses	9,735	5,660
Legal and professional fees	23,030	10,908
Shareholder information	-	3,482
Transfer agent fees	6,791	4,230
Management fees	40,499	-
Net loss and other comprehensive loss	\$ (108,886)	\$ (36,060)
Basic and diluted net loss per share (note 13)	\$ (0.04)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	2,829,589	1,405,000

The notes to the financial statements are an integral part of these statements.

CNRP Mining Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

Year Ended July 31,	2017	2016
Operating activities		
Net loss for the year	\$ (108,886)	\$ (36,060)
	(108,886)	(36,060)
Net changes in non-cash working capital:		
Government HST recoverable	281	(960)
Amounts payable and other liabilities	(15,822)	3,232
Net cash used in operating activities	(124,427)	(33,788)
Investing activities		
Advances for loans receivable	(250,715)	-
Net cash used in investing activities	(250,715)	-
Financing activities		
Proceeds from issuance of shares	1,636,438	-
Due to related parties	(61,069)	32,190
Proceeds from warrant exercise	56,250	-
Loan payable	150,000	-
Net cash provided by financing activities	1,781,619	32,190
Net change in cash	1,406,477	(1,598)
Cash, beginning of year	(561)	1,037
(Bank indebtedness) cash, end of year	\$ 1,405,916	\$ (561)

The notes to the financial statements are an integral part of these statements.

CNRP Mining Inc.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	<u>Common Share Capital</u>		Reserves for Share-based payments	Contributed surplus	Deficit	Total
	Number of shares	Amount				
Balance, July 31, 2015	1,405,000	\$ 8,441,550	\$ 4,525	\$ 626,300	\$ (9,868,319)	\$ (795,944)
Expired options	-	-	(430)	430	-	-
Net loss for the year	-	-	-	-	(36,060)	(36,060)
Balance, July 31, 2016	1,405,000	\$ 8,441,550	\$ 4,095	\$ 626,730	\$ (9,904,379)	\$ (832,004)
Shares issued	9,012,500	1,036,438	-	-	-	1,036,438
Warrants issued	-	(700,271)	700,271	-	-	-
Shares issued	3,000,000	600,000	-	-	-	600,000
Warrants exercised	375,000	56,250	-	-	-	56,250
Expired options	-	-	(4,095)	4,095	-	-
Net loss for the year	-	-	-	-	(108,886)	(108,886)
Balance, July 31, 2017	13,792,500	\$ 9,433,967	\$ 700,271	\$ 630,825	\$ (10,013,265)	\$ 751,798

The notes to the financial statements are an integral part of these statements.

CNRP Mining Inc.
Notes to Financial Statements
Year Ended July 31, 2017
(Expressed in Canadian Dollars)

1. Nature of Operations

CNRP Mining Inc. ("CNRP" or the "Company") was incorporated on September 15, 2011 under the laws of the province of British Columbia and is registered extra-provincially under the laws of Ontario. CNRP is a mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. Prior to January 29, 2016 CNRP was 85% owned by Winston Resources Inc. ("Winston" or the "Parent Company"). On January 18, 2016, Winston declared a special dividend to its shareholders by distributing all of its shareholding interest in CNRP. The record date for the dividend is January 29, 2016. Winston no longer has any shareholder interest in the Company. CNRP is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CND".

The head office of the Company is located at Suite 1128 - 789 West Pender Street, Vancouver, BC V6C 1H2, Canada.

2. Going Concern Assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company acquired its first exploration and evaluation assets ("E&E") in June 2012, as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. The Company continues to incur operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop if E&E are proven successful and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at July 31, 2017, the Company has yet to generate revenues from operations and had a deficit of \$10,013,265 (July 31, 2016 - \$9,904,379). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

CNRP Mining Inc.
Notes to Financial Statements
Year Ended July 31, 2017
(Expressed in Canadian Dollars)

3. Statement of Compliance and Basis of Presentation

(a) Statement of compliance

These financial statements are 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") as of November 27, 2017, the date the Company's Board of Directors approved these financial statements.

(b) Basis of Presentation

These financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods, and have been prepared using the accrual basis of accounting except for cash flow information.

4. Significant Accounting Policies

These financial statements have been prepared by management in accordance with IFRS and IFRIC. Outlined below are those policies considered particularly significant:

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and other comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

4. Significant Accounting Policies (continued)

Income taxes (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value, except for E&E which is first assessed against the indicators of IFRS 6. If any such IFRS 6 indication exists, the recoverable amount of the asset (or CGU) is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount as would be determined under IFRS 6.

Exploration and evaluations assets (“E&E”)

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is moved to a mining asset (if meets the economic and feasible stage) or the properties are disposed of either through sale, abandonment, or impairment.

E&E costs consist of such items as:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

CNRP Mining Inc.

Notes to Financial Statements

Year Ended July 31, 2017

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (continued)

Exploration and evaluations assets ("E&E") (continued)

E&E shall be assessed for impairment when one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

The Company estimates the recoverable amount of each CGU, on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. E&E are also tested for impairment before the assets are transferred to development properties.

Functional currency

The Company's presentation and functional currency is the Canadian dollar.

Equity Settled Transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled and vested, ending on the date on which the relevant employees become fully entitled to the award ("the vesting period or date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus.

Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

CNRP Mining Inc.
Notes to Financial Statements
Year Ended July 31, 2017
(Expressed in Canadian Dollars)

4. Significant Accounting Policies (continued)

Financial instruments

Fair value through profit or loss (FVTPL)

Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized as gain or loss in the statement of loss and other comprehensive loss during the period.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method ("EIR"), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of loss and other comprehensive loss. The losses arising from impairment are recognized in the statement of loss and other comprehensive loss. The Company has classified Government HST recoverable as loans and receivable.

Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques based on 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: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company's (bank indebtedness) cash is considered Level 1 in the hierarchy.

CNRP Mining Inc.
Notes to Financial Statements
Year Ended July 31, 2017
(Expressed in Canadian Dollars)

4. Significant Accounting Policies (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Loss Per Share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

Future accounting policies

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

(i) IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018.

CNRP Mining Inc.
Notes to Financial Statements
Year Ended July 31, 2017
(Expressed in Canadian Dollars)

4. Significant Accounting Policies (continued)

Future accounting policies (continued)

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

5. Critical Accounting Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

(b) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

CNRP Mining Inc.
Notes to Financial Statements
Year Ended July 31, 2017
(Expressed in Canadian Dollars)

5. Critical Accounting Estimates and Judgments (continued)

(c) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(d) Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise sufficient fund to cover its operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

(a) Share based compensation

The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of share-based compensation. This estimate also requires determining the most appropriate inputs to the valuation model. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

(b) Valuation of receivables and payables

The amounts due to/from parent company and company under common control have no stated terms of repayment or interest rate attached to it. Management must make judgments about the valuation and recoverability of receivables. Events and circumstances arising during the year, or that are foreseeable at year-end, are reflected in the valuation of these receivables in the statement of financial position and reflect management's best estimate of the fair value of these financial instruments.

CNRP Mining Inc.
Notes to Financial Statements
Year Ended July 31, 2017
(Expressed in Canadian Dollars)

6. Financial Risk Management

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company's assets most susceptible to credit risk is its government HST recoverable, which is due from the Canadian government. As such, the risk of loss on these assets is minimal.

Market and Other Risks

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at July 31, 2017, the Company has sufficient funds to meet general and administration expenses for the next twelve months.

Commodity Risk

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for these mineral commodities. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

The carrying values of the Company's financial instruments carried at amortized cost approximate fair values due to their short duration.

The Company has designated its cash at FVTPL. The government HST recoverable are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Amounts payables and other liabilities, due to related parties, and mineral properties purchase price payable are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

CNRP Mining Inc.
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6. Financial Risk Management (continued)

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	As at July 31, 2017	As at July 31, 2016
Financial Assets		
FVTPL		
Cash	\$ 1,405,916	\$ -
Loans and receivables		
Government HST Recoverable	3,323	3,604
Loan receivable	250,715	-
Financial Liabilities		
FVTPL		
Bank indebtedness	\$ -	\$ 561
Other financial liabilities		
Amounts payable and other liabilities	40,148	55,970
Due to related parties	18,008	79,077
Loan payable	150,000	-
Mineral property purchase price payable	700,000	700,000

7. Capital Management

The Company considers its capital to be comprised of shareholders' deficiency. As at July 31, 2017, the Company's capital resources amounted to \$751,798 (July 31, 2016 - \$(832,004) deficiency) in shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of E&E and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

All of the E&E, in which the Company currently has an interest, are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new E&E and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended July 31, 2017. The Company is not subject to any capital requirements imposed by a lending institution.

8. Government HST Recoverable

	As at July 31, 2017	As at July 31, 2016
Government HST receivables	\$ 3,323	\$ 3,604

Government HST recoverable is not past due.

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9. Exploration and Evaluation Assets

Elmtree

The Elmtree Gold Project consisted of 83 claims until December 2016, when the former management of CNRP allowed 67 claims to lapse, and the Elmtree property now is comprised of 16 claims. The Company entered into two transactions to acquire a total of 100% of the Elmtree Gold Project, 60% from Castle Resources Inc ("Castle") and 40% from Stratabound Minerals Corp ("Stratabound"). Both transactions closed on June 22, 2012.

The Company agreed to pay Castle 5,016,155 common shares, \$500,000 in cash, \$250,000 of which is payable on the date that is nine months from closing with the balance of \$250,000 payable twelve months from closing. At July 31, 2017, the Company is indebted to Castle in the amount of \$500,000 (July 31, 2015 - \$500,000). The Company also granted a 3% Net Smelter Royalty in favour of Castle from 60% of the gross revenue received from the sale of minerals from Elmtree less transportation and refining costs. CNRP agreed to pay Stratabound 2,786,753 common shares and \$300,000 in cash, \$100,000 of which was payable on the date of closing, \$100,000 payable nine months from closing, and \$100,000 payable twelve months from closing. At July 31, 2017, the Company is indebted to Stratabound in the amount of \$200,000 (July 31, 2015 - \$200,000). See Note 14.

During the year ended July 31, 2014, management determined that the carrying value of Elmtree was impaired and accordingly recorded a write-down of \$2,310,000.

During the year ended July 31, 2015, management determined that the remaining balance of \$5,393,760 of the Elmtree property is fully impaired because the Company had not conducted any exploration work on the property and there is no exploration work planned on the property in the near future due to the lack of cash. The impaired amount of \$5,393,760 is determined by using the estimated fair value of the property less disposal costs since there is no cash flow from the property to determine the value in use.

10. Amounts Payable and Other Liabilities

As at July 31,	2017	2016
Amounts payable	\$ 32,248	\$ 50,740
Other liabilities	7,900	5,500
	\$ 40,148	\$ 55,970

The aging of the amounts payable and other liabilities is as follows:

As at July 31,	2017	2016
Less than 30 days	\$ 24,398	\$ 5,952
From 30 days to 90 days	15,750	3,097
Greater than 90 days	-	46,921
	\$ 40,148	\$ 55,970

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11. Related Party Transactions and Disclosures

As of July 31, 2017, the due to related parties is \$18,008 (July 31, 2016 - \$79,077). This amount consist of amount due to Danny Wettreich, a former director of the Company, for \$13,488 (July 31, 2016 - \$53,349), an amount of \$nil (July 31, 2016 - \$25,728) due to a company controlled by the former director and amount of \$4,520 (July 31, 2016 - \$nil) due to another director of the Company. These amounts were made to provide working capital and are non-interest bearing and without fixed terms of repayment.

During the year ended July 31, 2017, the Company incurred transfer agent fees of \$6,791 (July 31, 2016 \$4,230) of this amount \$1,319 was paid to Reliable Stock Transfer Inc., ("Reliable") a company owned by a former director of the Company, Daniel Wettreich, for the provision of share transfer services. As at July 31, 2017 an amount of \$nil (July 31, 2016 - \$5,878) was payable to Reliable and has been included in the amounts payable and other liabilities.

During the year ended July 31, 2017, the Company incurred rent expense of \$9,000 (July 31, 2016 - \$Nil) payable to a company owned by the spouse of the CEO of CNRP.

Key management compensation

During the year the Company incurred management fees of \$40,499 (2016 - \$nil) for the provision of management services. As at July 31, 2017, an amount of \$31,500 (July 31, 2016 - \$Nil) was owed to a company owned by the spouse of the CEO of CNRP.

12. Share Capital

(i) Authorized capital

The Company's authorized share capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares issuable in series. Directors are authorized to determine the maximum number of shares of any series of preferred shares that the Company wishes to issue, create an identifying name for each series and attach special rights or restrictions of any kind whatsoever to the preferred shares of any series. No preferred shares are issued as of July 31, 2017 and 2016.

(ii) Common shares

a) On June 13, 2017, the Company completed a non-brokered private placement of 9,012,500 units at a price of \$0.115 per unit for aggregate gross proceeds of \$1,036,438. Each unit consists of one common share and three-quarter common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of \$0.15 for a period of twelve (12) months. These warrants were assigned a value of \$700,271 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 0.91%;
- Expected life: 1 year;
- Expected volatility: 344.28% based on historical trends; and
- Weighted average share price: \$0.115.

a) On July 4, 2017, the Company completed a non-brokered private placement of 3,000,000 shares at a price of \$0.20 per share for aggregate gross proceeds of \$600,000.

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12. Share capital (continued)

(iii) Stock options

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

The following table summarizes the activity in the Plan over the period:

	Fair Value	Number of stock options	Weighted average exercise price (\$)
Balance, July 31, 2015	\$ 4,525	1,400,000	\$ 0.05
Expired	(430)	(125,000)	(0.05)
Balance, July 31, 2016	\$ 4,095	1,275,000	\$ 0.05
Expired/Forfeited	(4,095)	(1,275,000)	(0.05)
Balance, July 31, 2017	\$ -	-	\$ -

There are no stock options granted and outstanding as of July 31, 2017.

(iv) Warrants

The issued and outstanding warrants balance at July 31, 2017 is comprised as follows:

	Number of warrants
Balance, July 31, 2016	-
Issued	6,759,375
Balance, July 31, 2017	6,759,375

Issue date	Fair value	Expiry date	Exercise price	Number of warrants
June 13, 2017	\$ 700,271	June 13, 2018	\$0.15	6,759,375
Weighted average exercise price			\$0.15	

See Note 19.

(v) Contributed surplus

Contributed surplus includes the accumulated fair value of share-based compensation and warrants transferred from share-based payment reserve and warrant reserve upon cancellation or expiry of the stock options and warrants.

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13. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the year ended July 31, 2017 was based on the loss attributable to common shareholders of \$108,886 (year ended July 31, 2016 – \$36,060) and the weighted average number of common shares outstanding of 2,829,589 (2016 – 1,405,000). All outstanding options were excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

14. Mineral Properties Purchase Price Payable

The Company entered into agreements to acquire a mineral exploration property. Under the terms of these agreements, CNRP is required to pay a portion of the purchase price over a period of twelve months from the dates of acquisition. \$350,000 of which is payable on the date which is six months from completion of the transaction and the balance of \$350,000 payable on the date that is twelve months from completion. Refer to note 9.

On January 24, 2013 the Company agreed with Castle and Stratabound to amend their respective agreements to postpone the partial payments of \$250,000 to Castle and \$100,000 to Stratabound to June 22, 2013. As a result of the extension to June 22, 2013, the Company agreed to pay \$5,000 interest to Stratabound and \$12,500 interest to Castle. The payments due on June 22, 2013 were not made. As a result of not meeting the June 22, 2013 extension, the Company agreed to monthly interest payments to Castle of \$4,167 on its \$500,000 obligation commencing in July 2013. On November 1, 2013, the Company suspended its \$4,167 monthly payment to Castle and accordingly no further interest payments will be made. Currently, the Stratabound obligation of \$200,000 is interest free. During the year ended July 31, 2017 and 2016, no interest expense on the property obligations was recognized.

During the fiscal year 2017 the total balance of \$700,000 payable to Castle and Stratabound was acquired by Sammiri Capital Inc. ("Sammiri") a private company owned by Daniel Wettreich, a former director of the Company. Sammiri sold the indebtedness to 1010565 BC Ltd. Subsequent to year end the Company paid the full amount of the indebtedness to 1010565 BC Ltd.

15. Loan Payable

As at July 31, 2017, the company received a loan from a non-related party in the amount of \$150,000. This loan is non-interest bearing, unsecured, and due on demand. This loan was paid in full subsequent to year end.

16. Loan Receivable

During the fiscal year 2017, the Company provided a working capital loan of \$250,715 (USD 200,000) to a non-related party in connection with the Purchase and Sale agreement with 1127466 B.C. Ltd (referred to as "X-Sprays"). This loan is non-interest bearing, unsecured, and due on demand. If the Company and X-Sprays do not complete the definitive agreement the loan will begin accruing interest at a rate of 10% per annum until repaid.

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17. Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

	2017	2016
Loss before income taxes	\$ (108,886)	\$ (36,060)
Combined statutory rate	26.5%	26.5%
	(28,855)	(9,556)
Benefit of tax losses not recognized	28,855	9,556
	\$ -	\$ -

As at July 31, 2017, the Company has Canadian non-capital losses of approximately \$720,000 (2016 - \$611,000) available for deduction against future Canadian taxable income, the balances of which will expire as follows:

2032	\$ 338,000
2033	119,000
2034	78,000
2035	40,000
2036	36,000
2037	109,000
	\$ 720,000

Deferred income tax assets

The tax effects of temporary differences that give rise to significant portions of future tax assets are as follows:

	2017	2016
Benefit of non-capital losses	\$ 191,000	\$ 162,000
Mineral property exploration	2,042,000	2,042,000
Less: Valuation allowance (100% impairment deferred tax asset)	(2,233,000)	(2,204,000)
	\$ -	\$ -

Deferred income tax assets have been impaired in respect of these items because it is not probable that future profit will be available against which the Company can utilize the benefits therefrom.

18. Segmented Information

The Company's operations are comprised of a single reporting operating segment engaged in the exploration and evaluation of mineral resources. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent a single reporting segment. As at July 31, 2017, all of the Company's exploration and evaluation assets and liabilities are situated in Canada.

19. Subsequent events

a) Subsequent to year-end, subscribers of the June and July 2017 share offerings, to meet the requirements of the Canadian Securities Exchange (the "CSE"), amended the terms of the June and July 2017 private placement offering by adjusting the issue price of (i) the shares issued under the June offering from \$0.115 per unit to \$0.30 per unit, (ii) the warrants issued under the June offering from \$0.15 per warrant share to \$0.30 per warrant share, and (iii) the shares issued under the July offering from \$0.20 per share to \$0.30 per share. All the other terms of the June and July 2017 offering remain unchanged.

The result on the June offering was that the total shares allotted decreased from 9,012,500 shares to 3,731,950 shares and the warrants allotted decreased from 6,759,375 warrants to 2,798,955 warrants. The value of the warrants was calculated for the amended terms using the Black-Scholes valuation model and determined to be \$768,593. The difference in the value of the warrants will be adjusted in Q1 ended October 31, 2017.

The result on the July offering was that the total shares allotted decreased from 3,000,000 shares to 1,683,329 shares.

b) On October 24, 2017, the Company entered into a share exchange agreement to acquire all of the issued and outstanding shares of 1127466 B.C. Ltd which holds through a wholly-owned subsidiary, an exclusive license for X-SPRAYS, a brand of state-of-the-art life-enhancement products. The proposed transaction is subject to CSE approval.