



Newlox Gold Ventures Corp.

Three Months Ended June 30, 2018 and 2017

Condensed Interim Consolidated Financial Statements

(Unaudited - expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed financial statements; the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The condensed financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the condensed financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

"Jeffrey Benavides"

Chief Financial Officer

Newlox Gold Ventures Corp.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - expressed in Canadian Dollars)



	Note	June 30, 2018	March 31, 2018
		\$	\$
ASSETS			
Current assets			
Cash		55,761	200,629
Other receivables		-	148,769
GST recoverable		17,365	15,396
		73,126	364,794
Non-current assets			
Property, plant and equipment	5	290,923	239,618
Total assets		364,049	604,412
LIABILITIES			
Current			
Accounts payable and accrued liabilities		69,039	105,431
Due to related parties	8	433,648	424,720
Total liabilities		502,687	530,151
SHAREHOLDERS' (DEFICIT) EQUITY			
Share capital	7	3,071,989	3,071,989
Contributed surplus	7	451,470	451,470
Foreign currency translation reserve		291,859	279,673
Deficit		(3,953,956)	(3,728,871)
Total (deficit) equity		(138,638)	74,261
Total liabilities and equity		364,049	604,412

Nature of operations and going concern (Note 1)

Approved on behalf of the Board:

“Ryan Jackson”

Director

“Jeffrey Benavides”

Director

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

Newlox Gold Ventures Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended June 30, 2018 and 2017
(Unaudited - expressed in Canadian Dollars)



	Note	2018 \$	2017 \$
EXPENSES			
Consulting and management fees	8	105,576	41,836
Depreciation	5	15,619	2,084
Office		33,605	4,377
Professional fees		63,190	5,301
Telephone		2,039	364
Transfer agent and filing fees		2,048	1,680
Travel		14,308	2,695
Loss before other items		(236,385)	(58,337)
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Interest expense		-	(12,508)
Foreign exchange gain (loss)		11,299	(4,611)
Other Income - Royalty		-	194,740
		11,299	177,621
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Net (loss) income for the period		(225,086)	119,284
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Other comprehensive loss for the period			
Foreign currency translation		12,186	(2,866)
Comprehensive (loss) income for the period		(212,900)	116,418
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Basic and diluted loss per share		(0.00)	0.00
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Weighted average number of shares outstanding		71,694,014	59,654,353

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

Newlox Gold Ventures Corp.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
For the Three Months Ended June 30, 2018 and 2017
(Unaudited - expressed in Canadian Dollars)



	# of common shares	Share capital \$	Contributed Surplus \$	Equity component of debenture \$	Foreign currency translation reserve \$	Deficit \$	Total \$
Balance, March 31, 2017	59,429,404	2,406,451	-	57,692	300,232	(3,504,123)	(739,748)
Shares issued for cash	1,446,100	72,305	-	-	-	-	72,305
Share issuance costs	-	(5,385)	-	-	-	-	(5,385)
Net and Comprehensive income (loss) for the period	-	-	-	-	(2,866)	119,284	116,418
Balance, June 30, 2017	60,875,504	2473,371	-	57,692	297,366	(3,384,839)	(556,410)
Balance, March 31, 2018	71,694,014	3,071,989	451,470	-	279,673	(3,728,871)	74,261
Loss and comprehensive loss	-	-	-	-	12,186	(225,086)	(212,900)
Balance, June 30, 2018	71,694,014	3,071,989	451,470	-	291,859	(3,953,956)	(138,638)

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

Newlox Gold Ventures Corp.

Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended June 30, 2018 and 2017
(Unaudited - expressed in Canadian Dollars)



	2018	2017
	\$	\$
Cash flow provided by (used in)		
Operating activities		
Net (loss) income for the period	(225,086)	119,284
Non-cash items:		
Accrued interest expense	-	12,508
Depreciation	15,230	2,084
	(209,856)	133,876
Changes in non-cash working capital items:		
Accounts receivable	148,769	(134,531)
GST recoverable	(1,969)	(1,195)
Accounts payable and accrued liabilities	(36,392)	(5,171)
Due to related party	8,928	27,224
	(90,519)	20,203
Investing activities		
Purchase of property, plant and equipment	(46,875)	(25,136)
	(46,875)	(25,136)
Financing activities		
Shares issued for cash	-	72,305
Share issue costs	-	(5,385)
	-	66,920
Effect of exchange rate changes on cash	(7,474)	9,581
Change in cash during the period	(144,868)	71,568
Cash – beginning of the period	200,629	8,174
Cash – end of the period	55,761	79,742

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

NEWLOX GOLD VENTURES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended June 30, 2018 and 2017
(Unaudited - expressed in Canadian Dollars)



NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Newlox Gold Ventures Corp. (the “Company” or “Newlox”) was incorporated on April 7, 2011. The Company is an environmental reclamation and mineral recovery company. The head office, principal address, and records office of the Company are located at 60 Laurie Crescent, West Vancouver, British Columbia, V7S 1B7, Canada.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast material uncertainties on the Company’s ability to continue as a going concern.

The Company’s continuing operations, as intended, and its financial success is dependent upon its ability to generate profits from its tailing reclamation program and the continuing financial support of its shareholders, creditors, and related parties to finance its operations and expansion activities. There is no assurance that the Company will be successful in generating and maintain profitable operations, or able to secure future debt or equity financing for its working capital and expansion activities.

These consolidated financial statements do not include any adjustments to the amounts or classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

NOTE 2 – BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended March 31, 2018 except as discussed in Note 3.

These condensed interim consolidated financial statements were approved by the board of directors for use on August 29, 2018.

NOTE 3 – ADOPTION OF NEW ACCOUNTING STANDARDS AND STANDARDS NOTE YET EFFECTIVE

The following accounting standards were adopted during the three months ended June 30, 2018:

IFRS 9, Financial Instruments

This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on January 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities, impairment methodology for financial instruments, and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard did not have a material measurement or disclosure impact on the Company’s consolidated financial statements.

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**IFRS 15, Revenue from Contracts with Customers**

This standard was issued in May 2014 and establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 became effective for the Company on January 1, 2018. The adoption of this standard did not have a material measurement or disclosure impact on the Company's consolidated financial statements.

The following standard has been issued but is not yet effective:

IFRS 16, Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and discloses leases. The standard provides a single lessee accounting model, requiring 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 was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact the new guidance is expected to have on its consolidated financial statements.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

There have been no material revisions to the nature of judgements and amount of changes in estimates reported in the Company's March 31, 2018 annual consolidated financial statements.

NEWLOX GOLD VENTURES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended June 30, 2018 and 2017

(Unaudited - expressed in Canadian Dollars)

**NOTE 5 – PROPERTY, PLANT AND EQUIPMENT**

	Vehicles	Office furniture and equipment	Computer equipment and software	Processing facilities	Equipment	Tools	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, March 31, 2017	43,909	1,676	4,122	316,036	-	5,642	371,385
Additions	-	2,313	1,104	170,390	91,739	3,686	269,232
Disposals	-	-	-	(624,000)	(200,000)	-	(824,000)
Foreign currency translation	(1,696)	(33)	(144)	(14,293)	1,245	418	(14,503)
Impairment	-	-	-	-	-	(9,746)	(9,746)
Impairment reversal	-	-	-	300,000	200,000	-	500,000
Balance, March 31, 2018	42,213	3,956	5,082	148,133	92,984	-	292,368
Additions	-	-	-	36,850	10,025	-	46,875
Foreign currency translation	815	76	98	16,203	5,220	-	22,412
Balance, June 30, 2018	43,028	4,032	5,180	201,185	108,229	-	361,655
Accumulated Depreciation							
Balance, March 31, 2017	14,654	405	2,788	16,036	-	1,098	34,981
Depreciation	8,330	915	1,488	-	9,174	-	19,907
Foreign currency translation	(453)	(3)	(88)	(619)	123	(57)	(1,097)
Impairment	-	-	-	-	-	(1,041)	(1,041)
Balance, March 31, 2018	22,531	1,317	4,188	15,417	9,297	-	52,750
Depreciation	1,868	286	130	-	13,335	-	15,619
Foreign currency translation	436	26	81	297	1,523	-	2,363
Balance, June 30, 2018	24,835	1,629	4,399	15,714	24,155	-	70,732
Net book Value							
March 31, 2018	19,682	2,639	894	132,716	83,687	-	239,618
June 30, 2018	18,194	2,403	781	185,471	84,074	-	290,923

NEWLOX GOLD VENTURES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended June 30, 2018 and 2017
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**NOTE 6 – REVENUE SHARING AGREEMENT**

On July 17, 2017 the Company entered into a Revenue Sharing Agreement (the “Transaction”) with an investor. The Transaction grants the investor a 15% gross revenue royalty on the Company’s first processing plan until the investor has received royalties totaling US\$1,000,000. After which, the investor will hold a 10% gross royalty on the first processing plant for the life of the project. The investor would also be granted a 5% gross revenue royalty on all processing plants, current and future, developed by the Company and its subsidiaries, which are not subject to an active gross revenue royalty. The investor has also offered a right of first refusal to fund the Company’s future projects. As consideration, the investor agreed to pay the Company a total of US \$950,000 in instalments of which US \$830,000 (CAD \$1,051,231) was received during the year ended March 31, 2018. The remainder of US \$120,000 (CAD \$148,769) was received during the three months ended June 30, 2018. As security for the Company’s obligations under the Transaction, the Company granted the investor a fixed assignment, transfer, mortgage, charge and security interest over the Company’s assets.

NOTE 7 – SHARE CAPITAL**a) Authorized Capital**

The Company is authorised to issue an unlimited number of common shares without par value.

b) Issued and Outstanding Common Shares

As at June 30, 2018, the Company had 71,694,014 common shares issued and outstanding.

Shares issued during the three months ended June 30, 2017

On June 16, 2017, the Company issued 1,446,100 units at \$0.05 per unit for gross proceeds of \$72,305 in connection with a private placement. Each unit consists of one common share of the Company and one share purchase warrant exercisable at \$0.15 per share for a term of 3 years. The Company incurred \$5,385 in finder’s fees for this private placement.

c) Share Options

As at June 30, 2018 the Company has the following options outstanding:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Remaining Life (years)</u>	<u>Options Outstanding</u>
September 13, 2022	\$0.06	4.21	5,018,580
		-	5,018,580

All options outstanding are exercisable.

NEWLOX GOLD VENTURES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - expressed in Canadian Dollars)

**d) Share Purchase Warrants**

The continuity of warrants for the three months ended June 30 2018, is as follows:

Expiry Date	Exercise Price	March 31, 2018	Issued	Expired/ Cancelled	June 30, 2018
May 24, 2019	\$0.10	3,728,879	-	-	3,728,879
August 9, 2019	\$0.05	442,000	-	-	442,000
September 19, 2019	\$0.05	435,400	-	-	435,400
December 22, 2019	\$0.05	400,000	-	-	400,000
February 10, 2020	\$0.05	2,400,000	-	-	2,400,000
June 16, 2020	\$0.15	1,446,100	-	-	1,446,100
August 3, 2020	\$0.15	4,886,529	-	-	4,886,529
		13,738,908	-	-	13,738,908

The continuity of warrants for the year ended March 31, 2018 is as follows:

Expiry Date	Exercise Price	March 31, 2017	Issued	Expired/ Cancelled	March 31, 2018
May 25, 2017	\$0.10	1,000,000	-	(1,000,000)	-
June 10, 2017	\$0.10	2,000,000	-	(2,000,000)	-
May 24, 2019	\$0.10	3,728,879	-	-	3,728,879
August 9, 2019	\$0.05	442,000	-	-	442,000
September 19, 2019	\$0.05	435,400	-	-	435,400
December 22, 2019	\$0.05	400,000	-	-	400,000
February 10, 2020	\$0.05	2,400,000	-	-	2,400,000
June 16, 2020	\$0.15	-	1,446,100	-	1,446,100
August 3, 2020	\$0.15	-	4,886,529	-	4,886,529
		10,406,279	6,332,629	(3,000,000)	13,738,908

NEWLOX GOLD VENTURES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - expressed in Canadian Dollars)

**NOTE 8 – RELATED PARTY TRANSACTIONS**

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in the consolidated financial statements are described as follows.

As at June 30, 2018 and March 31, 2018, the Company has the following amounts owing to related parties that are noninterest bearing, unsecured, and have no specified terms of repayment.

	June 30, 2018	March 31, 2018
	\$	\$
Due to a family member of the Company's President	11,826	8,806
Due to a director (also an officer) for management fees (b)	196,111	196,212
Due to a director (also an officer) for management fees and advances to the Company	215,271	209,262
Due to a director for management fees	1,056	1,056
Due to a company controlled by a former director for management fees	9,384	9,384
Due to Related Parties	433,648	424,720

Key management compensation consists of the following:

- a) During the three months ended June 30, 2018 the Company incurred management fees of \$41,376 (2017 - \$29,454), to a director and officer.
- b) During the three months ended June 30, 2018 the Company incurred management fees of \$13,547 (2017 - \$12,053), to a director and officer.