QUADRO RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

Three Months Ended October 31, 2017

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report.

QUADRO RESOURCES LTD.
INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note	October 31, 2017	July 31, 2017
ASSETS			
Current assets			
Cash		$ 1,206,571	$ 116,570
Sales tax recoverable		8,899	3,879
		1,215,470	120,449
Non-current assets			
Exploration and evaluation assets	4	814,000	-
Total assets		$ 2,029,470	$ 120,449
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Trade and other payables	5	$ 24,480	$ 76,775
Amounts due to related parties	6	75,787	265,221
Total liabilities		100,267	341,996
Shareholders' equity (deficiency)			
Share capital	7	11,901,359	9,607,269
Share subscription proceeds		-	115,000
Share-based payments reserve	8	648,219	617,579
Deficit		(10,620,375)	(10,561,395)
Total shareholders' equity (deficiency)		1,929,203	(221,547)
Total liabilities and shareholders' equity (deficiency)		$ 2,029,470	$ 120,449

Nature of business and going concern (Note 1)

The financial statements were authorized for issue by the Board of Directors on December 22, 2017 and were signed on its behalf by:

____________________ Director ____________________ Director

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

QUADRO RESOURCES LTD.
INTERIM STATEMENTS OF COMPREHENSIVE LOSS
THREE MONTHS ENDED OCTOBER 31
(Unaudited – Prepared by Management)

	Note	2017	2016
EXPENSES			
Accounting and audit		$ 3,000	$ 1,000
Administrative		550	178
Legal fees		12,996	-
Management fees		18,000	-
Office and miscellaneous		3,669	858
Rent		1,500	1,794
Transfer agent and regulatory fees		4,655	3,081
Travel and promotion		14,610	990
Loss and comprehensive loss for the period		$ (58,980)	$ (7,901)
Basic and diluted loss per common share	7	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding		8,430,578	3,553,094

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

QUADRO RESOURCES LTD.
INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited – Prepared by Management)

	Note	Number of shares	Share capital	Share-based payments reserve	Share subscription proceeds	Deficit	Total shareholders' equity (deficiency)
Balance, July 31, 2017		3,553,094	$ 9,607,269	$ 617,579	$ 115,000	$ (10,561,395)	$ (221,547)
Flow-through private placement		6,448,500	644,850	-	(115,000)	-	529,850
Non-flow-through private placement		7,310,000	731,000	-	-	-	731,000
Acquisition of exploration and evaluation assets	7	8,050,000	805,000	-	-	-	805,000
Shares issued for debt settlement		2,065,500	206,550	-	-	-	206,550
Share issuance costs	7	-	(93,310)	30,640	-	-	(62,670)
Comprehensive loss for the period		-	-	-	-	(58,980)	(58,980)
Balance, October 31, 2017		27,427,094	$ 11,901,359	$ 648,219	$ -	$ (10,620,375)	$ 1,929,203

	Note	Number of shares	Share capital	Share-based payments reserve	Deficit	Total shareholders' deficiency
Balance, July 31, 2016		7,106,162	$ 9,607,269	$ 617,579	$ (10,477,021)	$ (252,173)
Comprehensive loss for the period		-	-	-	(7,901)	(7,901)
Balance, October 31, 2016		7,106,162	$ 9,607,269	$ 617,579	$ (10,484,922)	$ (260,074)

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

QUADRO RESOURCES LTD.
INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED OCTOBER 31
(Unaudited – Prepared by Management)

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		$ (58,980)	$ (7,901)
Changes in non-cash working capital items:			
Sales tax recoverable		(5,020)	(323)
Trade and other payables		(52,295)	1,458
Net cash used in operating activities		(116,295)	(6,766)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation assets		(9,000)	-
Net cash used in investing activities		(9,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital		1,260,850	-
Share issuance costs		(62,670)	-
Advances from related party		17,116	5,000
Net cash provided by financing activities		1,215,296	5,000
Change in cash during the period		1,090,001	(1,766)
Cash, beginning of the period		116,570	3,512
Cash, end of the period		$ 1,206,571	$ 1,746

Supplemental disclosures with respect to cash flows (Note 9)

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

1. NATURE OF BUSINESS AND GOING CONCERN

Quadro Resources Ltd. (the "Company") was incorporated under the laws of British Columbia, Canada and maintains its head office and registered office at Suite 1500, 1040 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4H8. The Company is primarily engaged in the acquisition, exploration and development of exploration and evaluation assets in Canada. The Company is listed on the TSX Venture Exchange (TSX-V) under the symbol "QRO".

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

At present, the Company's operations do not generate cash flow. The Company has incurred losses since inception and had an accumulated deficit of $10,620,375 as at October 31, 2017 and a working capital of $924,477. The continuing operations of the Company are dependent upon its ability to raise adequate financing, identify economically recoverable reserves and to commence profitable operations in the future. Management believes that it has sufficient working capital to fund its operations for the next twelve months.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence. These adjustments could be material.

2. BASIS OF PREPARATION

These condensed interim financial statements of the Company 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 International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended July 31, 2017, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. BASIS OF PREPARATION (cont'd…)

Significant estimates and assumptions

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate; therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Significant judgments

The preparation of these financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

i) The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
ii) The classification of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's annual financial statements for the year ended July 31, 2017 were consistently applied to all the periods presented unless otherwise noted below.

Future changes in accounting standards

There were no new standards effective August 1, 2017 that had an impact on the Company's financial statements. A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2018, or later periods. The Company has not applied these new standards in preparing these financial statements. The following pronouncements are considered by the Company to be the most significant of several pronouncements that may affect the financial statements in future periods.

- New standard IFRS 9 *Financial Instruments* ("IFRS 9") has been issued by IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Future changes in accounting standards (cont'd…)

- New standard IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") has been issued by IASB to replace IAS 18 *Revenue* and IAS 11 *Construction Contracts*. This new standard sets out the requirements for recognizing and disclosing revenues that apply to all contracts with customers. The effective date of IFRS 15 is for annual periods beginning on or after January 1, 2018.

- New standard IFRS 16 *Leases* ("IFRS 16") has been issued by IASB to replace IAS 17 *Leases*. This new standard sets out the requirements for recognizing and disclosing leases. The objective is to ensure that lessees and lessors provide relevant information that faithfully represents the transactions. The effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019.

The Company is currently assessing the impact that these new standards will have on its financial statements and whether to early adopt any of the new standards.

4. EXPLORATION AND EVALUATION ASSETS

	Staghorn Property
Acquisition costs	
Option payments	$ 805,000
Deferred exploration expenditures	
Consulting	9,000
Additions for the period	814,000
Balance, beginning of the year	-
Balance, October 31, 2017	814,000

On June 6, 2017, the Company entered into an agreement (the "Option Agreement") with Metals Creek Resources Corp. ("Metals Creek") and Benton Resources Inc. ("Benton") whereby the Company was granted an option to acquire a 100% interest in the Staghorn property, located in Newfoundland, as well as all their rights to their newly-optioned Rose Gold property which comprised of certain mineral claims contiguous to the Staghorn property. To exercise its option, the Company issued 8,000,000 common shares (with a fair value of $800,000) to Metals Creek and Benton

Under the Original Letter Agreement and in accordance with the subsequent Assignment and Amendment Agreement between Metals Creek, Benton and the vendor of the Rose Gold property, the Company is required to make cash payments of $45,000 and issue 450,000 common shares over a three year period as follows:

- Pay $5,000 (subsequently paid) and issue 50,000 common shares (issued with a fair value of $5,000) upon signing;
- Pay $10,000 and issue 100,000 common shares by April 9, 2018;
- Pay $15,000 and issue 150,000 common shares by April 9, 2019; and
- Pay $15,000 and issue 150,000 common shares by April 9, 2020.

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

The Rose Gold property is subject to a 2% net smelter returns royalty ("NSR") in favour of the original vendor. The Company has the right to buy back a 1% NSR for $1,000,000.

The Staghorn property is subject to NSR royalties as outlined below:

- A royalty granted to Metals Creek and Benton representing a 3 kilometer area of interest that is subject to a 3% NSR in favour of Metals Creek and Benton, of which a 2% NSR can be purchased by the Company at any time for $2,000,000.
- An existing royalty held by Ed Northcott and Gilbert Lushman representing a 3 kilometer area of interest that is subject to: i) a 2% NSR in favour of Ed Northcott and Gilbert Lushman, of which a 1% NSR can be purchased by the Company at any time for $1,000,000; and (ii) a 1% NSR in favour of Metals Creek and Benton.

5. TRADE AND OTHER PAYABLES

		October 31, 2017		July 31, 2017
Trade payables	$	2,891	$	33,436
Accrued expenses		21,589		43,339
	$	24,480	$	76,775

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

6. RELATED PARTY TRANSACTIONS

Included in amounts due to related parties are $29,294 (July 31, 2017 - $217,844) related to services rendered to the Company by companies controlled by its directors and $46,493 (July 31, 2017 - $47,377) in advances from the President of the Company. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year ended July 31, 2017, the Company received $31,528 in advances from the President of the Company. The advance is unsecured, non-interest bearing, and has no specific terms of repayment. During the three months ended October 31, 2017, the Company repaid $884 of the advances.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the three month periods ended October 31 is as follows:

		2017		2016
Management fees	$	18,000	$	-

6. RELATED PARTY TRANSACTIONS (cont'd…)

The Company entered into the following related party transactions during the three months ended October 31, 2017:

a) Paid or accrued management fees of $18,000 (2016 - $nil) to a company controlled by the President of the Company for management services provided.

7. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At October 31, 2017, the Company had 27,427,094 common shares issued and outstanding (July 31, 2017 - 3,553,094).

Share consolidation

On July 4, 2017, the Company completed a consolidation of the Company's issued and outstanding common shares on a basis of one (1) post-consolidation common share for every two (2) pre-consolidation common shares. All information relating to basic and diluted loss per share and issued and outstanding common shares in these financial statements have been adjusted and restated retrospectively to reflect the share consolidation.

Share issuance

During the three months ended October 31, 2017, the Company:

i) Completed a private placement of 7,310,000 non-flow-through units at a price of $0.10 per non-flow-through unit and 6,448,500 flow-through units at a price of $0.10 per flow-through unit for gross proceeds of $1,375,850. Each non-flow-through unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 18 months at a price of $0.15. Each flow-through unit is comprised of one common share and one-half of a share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 18 months at a price of $0.20. There is no value assigned to the warrant component of the units. In connection with the private placement, the Company paid finder fees consisting of $55,791 in cash and 591,910 warrants which are exercisable into one common share of the Company at $0.15 for a period of 18 months. The agent's warrants were valued at $30,640 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 1.56%, an expected life of 1.5 year, annualized volatility of 120% and a dividend rate of 0%). The Company also incurred filing expenses of $6,879 in connection with the private placement. There is no premium received by the Company on issuance of the flow-through shares.

ii) Issued 8,000,000 common shares pursuant to an Option Agreement (Note 4) with a fair value of $800,000.

iii) Issued 50,000 common shares pursuant to the Rose Gold property agreement (Note 4) with a fair value of $5,000.

iv) Issued 2,065,550 common shares to settle debt of $206,550 due to the President of the Company.

7. SHARE CAPITAL (cont'd…)

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended October 31, 2017 was based on the loss attributable to common shareholders of $84,374 (2016 - $7,901) and a weighted average number of common shares outstanding of 8,430,578 (2016 - 3,553,094).

8. SHARE-BASED PAYMENTS

Stock options

The Company has adopted an incentive rolling stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to a maximum of 20% of the total number of issued and outstanding shares of the Company. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors. The exercise price of options granted under the Plan shall not be less than the closing price of the Company's shares on the trading day immediately preceding the date of grant, less the discount permitted under the Exchange's policies.

The Company had no stock option transactions during the years ended July 31, 2017 and the three months ended October 31, 2017. The Company had no stock options outstanding at July 31, 2017 and October 31, 2017.

Warrants

The Company uses the residual value method with respect to the measurement of share purchase warrants issued with private placement units. The proceeds from the issue of units is allocated between common shares and share purchase warrants on residual value basis, wherein the fair value of the common shares is based on the market value on the date of the announcement of the placement and the balance, if any, is allocated to the attached warrants. Agents' warrants are measured at fair value on the date of the grant as determined using a Black-Scholes option pricing model.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2016 and 2017	-	$ -
Warrants issued	10,534,250	0.17
Agents' warrants issued	591,910	0.15
Balance, October 31, 2017	11,126,160	$ 0.16
Exercisable at October 31, 2017	11,126,160	$ 0.16

The warrants outstanding at October 31, 2017 have an exercise price in the range of $0.15 to $0.20 and a weighted average remaining contractual life of 1.45 years.

8. SHARE-BASED PAYMENTS (cont'd…)

As at October 31, 2017 the following warrants were outstanding:

	Number of Warrants	Exercise Price	Expiry Date
Warrants			
	7,310,000	$ 0.15	April 12, 2019
	3,224,250	0.20	April 12, 2019
	10,534,250		
Agents' warrants			
	591,910	$ 0.15	April 12, 2019
	11,126,160		

9. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash investing and financing transactions during the three months ended October 31, 2017 included:

a) The Company issued 8,050,000 common shares pursuant to mineral property agreements with a total value of $805,000.

b) The Company issued 2,065,550 common shares to settle debt of $206,550 due to the President of the Company.

c) The Company issued 591,910 agent's warrants with a fair value of $30,640 as financing fees for a private placement.

There were no significant non-cash transactions during the three month periods ended October 31, 2016.

10. FINANCIAL INSTRUMENTS AND RISK

The Company classified its financial instruments as follows: cash is classified as fair value through profit or loss, trade and other payables, and amounts due to related parties are classified as other financial liabilities and are measured at amortized cost. Information on certain types of financial instruments is included elsewhere in these financial statements as follows: trade and other payables (Note 5); and amounts due to related parties (Note 6).

The carrying amounts of cash, trade and other payables, and amounts due to related parties carried at amortized cost are considered a reasonable approximation of their fair values due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with its cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2017, the Company had a cash balance of $1,206,571 to settle trade and other payables of $100,267. The Company's trade and other payables have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term maturity.

11. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows. There have been no changes in these levels and no changes in classifications during the three months ended October 31, 2017.

	Level 1	Level 2	Level 3	Total
October 31, 2017				
Cash	$ 1,206,571	$ -	$ -	$ 1,206,571
July 31, 2017				
Cash	$ 116,570	$ -	$ -	$ 116,570

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to ensure adequate working capital is available to fund both the business development plans and the working capital requirements of each annual operating cycle. In the management of capital, the Company includes shareholders' equity (deficiency) in the definition of capital.

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 its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management.

There were no changes in the Company's approach to capital management during the three months ended October 31, 2017. The Company is not subject to externally-imposed capital requirements.