

KILLDEER MINERALS INC.

Condensed Interim Financial Statements

For the Nine Months Ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

KILLDEER MINERALS INC.

Condensed Interim Statements of Financial Position
Unaudited –Prepared by Management
(Expressed in Canadian Dollars)

	Note	December 31, 2016	March 31, 2016
ASSETS			
Current assets			
Cash		\$ 177,973	\$ 332,335
Receivables		4,865	1,246
Prepaid expenses		10,664	5,664
Total assets		\$ 193,502	\$ 339,245
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 78,231	\$ 163,424
Loans payable	6	5,000	5,000
Due to related parties	5	93,831	66,544
Total current liabilities		177,062	234,968
Shareholders' equity			
Share capital		3,597,515	3,597,515
Share subscriptions receivable		-	(2,250)
Share-based payment reserve		371,848	333,519
Deficit		(3,952,923)	(3,824,507)
Total shareholders' equity		16,440	104,277
Total liabilities and shareholders' equity		\$ 193,502	\$ 339,245

Going concern (Note 2)
Contingency (Note 10)
Subsequent events (Note 11)

Approved and authorized for issuance by the Board of Directors on February 20, 2017:

"Saf Dhillon"
Director

"Stan Szary"
Director

(The accompanying notes are an integral part of these condensed interim financial statements)

KILLDEER MINERALS INC.

Condensed Interim Statements of Operations and Comprehensive Loss

Unaudited –Prepared by Management

(Expressed in Canadian Dollars)

		Three Months Ended December 31,		Nine Months Ended December 31,	
		2016	2015	2016	2015
OPERATING EXPENSES					
Accounting and audit	5	\$ 4,500	\$ -	\$ 16,500	\$ 500
Consulting		10,500	-	25,500	-
Filing and regulatory fees		1,686	1,685	7,273	2,785
Legal fees		111	1,000	111	1,613
Management fees	5	7,500	-	22,500	-
Office		7,116	298	14,951	1,259
Share-based payments	7	22,351	99,265	38,329	99,265
Transfer agent fees		2,916	1,327	4,192	2,558
Loss before other items		(56,680)	(103,575)	(129,356)	(107,980)
OTHER ITEMS					
Interest expense		-	(602)	-	(2,407)
Write-off of current liabilities		940	-	940	-
Total other items		940	(602)	940	(2,407)
Net loss and comprehensive loss for the period		\$ (55,740)	\$ (104,177)	\$ (128,416)	\$ (110,387)
Basic and diluted loss per share		\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding		20,644,213	13,047,848	20,644,213	18,102,884

(The accompanying notes are an integral part of these condensed interim financial statements)

KILLDEER MINERALS INC.

Condensed Interim Statements of Changes in Equity
Unaudited –Prepared by Management
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscription s Receivable	Share-based Payment Reserve	Deficit	Total
Balance, March 31, 2015	2,253,013	\$ 2,279,381	\$ -	\$ 187,304	\$ (3,657,131)	\$ (1,190,446)
Shares issued for debt settlement	1,378,400	103,380	-	-	-	103,380
Private placement	17,012,800	1,275,960	-	-	-	1,275,960
Share issuance costs	-	(43,394)	-	-	-	(43,394)
Share-based payments	-	-	-	99,265	-	99,265
Net loss for the period	-	-	-	-	(110,387)	(110,387)
Balance, December 31, 2015	20,644,213	\$ 3,615,327	\$ -	\$ 286,569	\$ (3,767,518)	\$ 134,378
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Balance, March 31, 2016	20,644,213	\$ 3,597,515	\$ (2,250)	\$ 333,519	\$ (3,824,507)	\$ 104,277
Subscriptions receivable	-	-	2,250	-	-	2,250
Share-based payments	-	-	-	38,329	-	38,329
Net loss for the period	-	-	-	-	(128,416)	(128,416)
Balance, December 31, 2016	20,644,213	\$ 3,597,515	\$ -	\$ 371,848	\$ (3,952,923)	\$ 16,440

(The accompanying notes are an integral part of these condensed interim financial statements)

KILLDEER MINERALS INC.

Condensed Interim Statements of Cash Flows
Unaudited –Prepare by Management
(Expressed in Canadian Dollars)

	Nine Months Ended December 31,	
	2016	2015
OPERATING ACTIVITIES		
Net loss for the period	\$ (128,416)	\$ (110,387)
Items not affecting cash:		
Share-based payments	38,329	99,265
Write-off of current liabilities	(940)	-
Changes in non-cash operating working capital:		
Receivables	(3,619)	530
Prepaid expenses	(5,000)	1,001
Accounts payable and accrued liabilities	(84,253)	(55,042)
Due to related parties	27,287	1,764
Net cash used in operating activities	(156,612)	(62,869)
FINANCING ACTIVITIES		
Subscriptions receivable	2,250	-
Advances from related parties	-	9,500
Proceeds from issuance of common shares	-	434,340
Share issuance costs	-	(43,394)
Net cash provided by financing activities	2,250	400,446
Change in cash	(154,362)	337,577
Cash, beginning of period	332,335	2,423
Cash, end of period	\$ 177,973	\$ 340,000
Non-cash investing and financing activities:		
Shares issued for settlement of related party debt	\$ -	\$ 330,000
Shares issued for settlement of accounts payable	\$ -	\$ 556,620
Shares issued for settlement of loan payable and accrued liabilities	\$ -	\$ 37,704
Supplemental disclosures:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

(The accompanying notes are an integral part of these condensed interim financial statements)

KILLDEER MINERALS INC.

Notes to the Condensed Interim Financial Statements
Unaudited –Prepared by Management
(Expressed in Canadian Dollars)
Nine Months ended December 31, 2016

1. NATURE AND CONTINUANCE OF OPERATIONS

Killdeer Minerals Inc. (the “Company”) is a resource exploration company focused on acquiring and exploring resource properties in Canada.

The Company was incorporated on May 28, 2008 under the laws of British Columbia. The Company's head office and registered office is Suite 2000, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Company is listed on the NEX under the symbol “KMI.H”.

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

2. BASIS OF PREPARATION

These condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The policies applied in these condensed interim financial statements are based on IFRS issued and effective as of December 31, 2016.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

- 1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position;
- 2) deferred income tax asset valuation allowances; and
- 3) measurement of share-based payments.

Application of the going concern assumption: the assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

KILLDEER MINERALS INC.

Notes to the Condensed Interim Financial Statements

Unaudited –Prepared by Management

(Expressed in Canadian Dollars)

Nine Months ended December 31, 2016

2. BASIS OF PREPARATION (continued)

Going concern

These condensed interim financial statements have been prepared assuming the Company will continue on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2016, the Company has a working capital of \$16,440 has an accumulated deficit of \$3,952,923 since inception, and expects to incur further losses in the development of its business. The ability of the Company to continue as a going-concern depends on its ability to raise adequate financing and to develop profitable operations. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. These factors indicate the existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at March 31, 2016. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2016.

Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the current fiscal year, and have not been applied in preparing these condensed interim financial statements.

New standard IFRS 9, "Financial Instruments"

Amendments to IAS 1, "Presentation of Financial Statements"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the condensed interim financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

KILLDEER MINERALS INC.

Notes to the Condensed Interim Financial Statements
Unaudited –Prepared by Management
(Expressed in Canadian Dollars)
Nine Months ended December 31, 2016

4. EXPLORATION AND EVALUATION ASSETS

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.

(a) Wildcat Property, Yukon

On June 24, 2008, the Company entered into an option agreement to acquire a 100% undivided interest in 94 contiguous mineral claims known as the Wildcat Property located in the Watson Lake Mining District of the Yukon, subject to a 3% net smelter return royalty to the optionor. The Company may elect to purchase 1.5% of the net smelter return royalty upon payment of \$1,000,000.

The Company's obligation under the agreement includes an aggregate of \$140,000 in option payments and the issuance of 115,000 shares of the Company as follows:

- (i) Pay \$2,000 upon execution of the agreement (paid);
- (ii) Pay \$10,000 within 30 days after the execution of the agreement (paid);
- (iii) Issue 15,000 common shares on the date the Company's shares are listed on the TSX Venture Exchange (October 7, 2009) (issued with a fair value of \$30,000);
- (iv) Pay \$18,000 and issue 20,000 common shares on or before October 7, 2010;
- (v) Pay \$25,000 and issue 25,000 common shares on or before October 7, 2011;
- (vi) Pay \$35,000 and issue 25,000 common shares on or before October 7, 2012; and
- (vii) Pay \$50,000 and issue 30,000 common shares on or before October 7, 2013.

The Company has withheld making further option payments and share issuances until the contingency with the Government of Yukon has been settled (refer to Note 10). During the year ended March 31, 2011, the Company wrote down the Wildcat Property to a nominal amount of \$1. The remaining amount of \$1 was written off as at March 31, 2014.

5. RELATED PARTY TRANSACTIONS

During the periods ended December 31, 2016 and 2015, the Company was involved in the following related party transactions:

- (a) Incurred management fees of \$22,500 (2015 - \$nil) to a company controlled by the President and Chief Executive Officer.
- (b) Incurred accounting fees of \$13,500 (2015 - \$nil) to an accounting firm where the Chief Financial Officer of the Company is a partner.
- (c) As at December 31, 2016, the Company owed \$53,944 (March 31, 2016 - \$53,944) to a company with a common officer and a director which is non-interest bearing, unsecured, and due on demand.
- (d) As at December 31, 2016, the Company owed \$13,388 (March 31, 2016 - \$4,725) to an accounting firm where the Chief Financial Officer of the Company is a partner. The amount due is non-interest bearing, unsecured, and due on demand.
- (e) As at December 31, 2016, the Company owed \$26,500 (March 31, 2016 - \$7,875) to a company controlled by the President and Chief Executive Officer of the Company which is non-interest bearing, and due on demand.
- (f) During the period ended December 31, 2016, the Company granted 150,000 (2015 – 450,000) stock options with a fair value of \$9,583 (2015 - \$59,559) to officers and directors of the Company.

KILLDEER MINERALS INC.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

Nine Months ended December 31, 2016

6. LOANS PAYABLE

As at December 31, 2016, \$5,000 (March 31, 2016 - \$5,000) is owed to a former director of the Company which is non-interest bearing, unsecured, and due on demand.

7. SHARE CAPITAL

Authorized: Unlimited common shares without par value

There were no share transactions for the period ended December 31, 2016.

Share transactions for the year ended March 31, 2016:

On November 23, 2015, the Company issued 5,791,200 common shares at a price of \$0.075 per share for gross proceeds of \$434,340, of which \$2,250 was received during the period ended December 31, 2016. In connection with this private placement, the Company paid finders' fees of \$27,066 and \$13,464 in share issuance costs.

On November 23, 2015, the Company issued 7,421,600 common shares with a fair value of \$556,620 to settle accounts payable of \$556,620.

On November 23, 2015, the Company issued 4,550,000 common shares with a fair value \$330,000 to settle debt of \$341,250 owed to various related parties. This resulted in a gain on settlement of debt of \$11,250.

On November 23, 2015, the Company issued 628,400 common shares with a fair value of \$37,704 to settle debt of \$47,130 owed to a non-related party. This resulted in a gain on settlement of debt of \$9,426.

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's stock on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

KILLDEER MINERALS INC.

Notes to the Condensed Interim Financial Statements
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Nine Months ended December 31, 2016

7. SHARE CAPITAL (continued)

Stock options (continued)

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2015	–	\$ –
Granted	750,000	0.20
Outstanding, March 31, 2016	750,000	\$ 0.20
Granted	600,000	0.07
Outstanding, December 31, 2016	1,350,000	\$ 0.14

Additional information regarding stock options outstanding as at December 31, 2016 is as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.07 – 0.20	1,350,000	2.37	0.14

During the period ended December 31, 2016, the Company granted 600,000 (2015 – 750,000) stock options with a fair market value of \$38,329 or \$0.06 per option which was charged to operations. The following weighted average assumptions were used for the Black-Scholes valuation of the stock options assuming no expected dividends or forfeitures:

	2016	2015
Risk-free interest rate	0.73%	0.50%
Expected life (in years)	3	3
Expected volatility	197%	110%

8. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at December 31, 2016, the Company is not subject to externally imposed capital requirements.

KILLDEER MINERALS INC.

Notes to the Condensed Interim Financial Statements

Unaudited –Prepared by Management

(Expressed in Canadian Dollars)

Nine Months ended December 31, 2016

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2016, the Company had a cash balance of \$177,973 (March 31, 2016 - \$332,335) and current liabilities of \$177,062 (March 31, 2016 - \$234,968). The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

(c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, other assets and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and other assets with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. Receivables are comprised of GST refunds from the Canadian government. The carrying amount of financial assets represents the maximum credit exposure.

(d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

(e) Interest rate risk

The Company's current policy is to invest excess cash in investment grade short-term certificates of deposit issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company does not hold any financial liabilities with variable interest rates.

(f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

KILLDEER MINERALS INC.

Notes to the Condensed Interim Financial Statements
Unaudited –Prepared by Management
(Expressed in Canadian Dollars)
Nine Months ended December 31, 2016

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

(g) Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair value of other financial assets and financial liabilities is equal to their carrying values due to the short-term nature of these instruments.

9. SEGMENTED INFORMATION

The Company currently conducts substantially all of its operations in Canada in one business segment being the acquisition and exploration of resource properties.

10. CONTINGENCY

On December 4, 2009, the Kaska Dena Council of the Kaska Dena First Nation filed a Petition in the Supreme Court of Yukon seeking an order to quash the recording and granting of the Wildcat 92 mineral claim which was optioned to the Company as part of the Wildcat Property. The Government of Yukon, the Watson Lake Mining Recorder, the Minister of Energy, Mines and Resources, the Optionor and the Company are named in the Petition. The Petition states that the recording and granting of the mineral claim known as Wildcat 92 without first consulting the Kaska Dena Council constituted a breach of the government's duty to consult the Kaska Dena Council. The Company continues to monitor the proceedings between the Government of Yukon and the Kaska Dena Council.

11. SUBSEQUENT EVENTS

Subsequent to the period ended December 31, 2016, the Company:

- (a) Settled outstanding indebtedness of \$38,000 through the issuance of 380,000 common shares to certain vendors.
- (b) Completed its non-brokered private placement of units (each, a "Unit") at a price of \$0.10 per Unit. Each "Unit" consists of one common share of the Company and one half-of-one common share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant entitles the holder to acquire a further common share at a price of \$0.15 for a period of twelve months, subject to accelerated expiry in the event that the Company's common shares have a closing price of \$0.40 or higher for ten consecutive trading days. The private placement was fully subscribed and on closing the Company issued 5,000,000 Units for gross proceeds of \$500,000. In connection with closing the Company paid fees of \$31,800 and issued 318,000 Warrants on the same terms to finders' who introduced subscribers to the private placement.