CLEGHORN MINERALS LTD.

Interim condensed financial report (unaudited)

For the three-month and nine-month periods ended on December 31, 2016 and 2015.

CLEGHORN MINERALS LTD.

INTERIM CONDENSED FINANCIAL REPORT

Notice to Reader

The accompanying unaudited interim condensed financial statements of Cleghorn Minerals LTD. (the "Company") for the three-month and nine-month periods ended on December 31, 2016 and 2015 have been prepared by the management and are its responsibility. These unaudited interim condensed financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed financial statements have not been reviewed by the Company's auditors.

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

As at **(Unaudited - in Canadian dollars)**

	Notes	December 31, 2016	March 31, 2016
		$	$
ASSETS			
Current			
Cash	6	823,662	56,256
Amounts receivable from related companies	12	-	68,309
Accounts receivable		5,000	-
Sales taxes recoverable		5,353	342
Prepaid expenses		-	681
		834,015	125,588
Non-current			
Exploration and evaluation assets	7	413,272	-
Total assets		1,247,287	125,588
LIABILITIES			
Current			
Accounts payable and accrued liabilities		33,203	396
Liability component related to the flow-through units	8	199,892	-
Total liabilities		233,095	396
EQUITY			
Share capital	8	1,680,797	880,100
Contributed surplus	9	196,929	115,327
Warrants	8	250,449	-
Deficit		(1,113,983)	(870,235)
Total equity		1,014,192	125,192
Total liabilities and equity		1,247,287	125,588

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

These financial statements were approved and authorized for issue by the Board of directors on February 3, 2017.

"Glenn J. Mullan"	*"Dr. C. Jens Zinke"*
(signed Glenn J. Mullan)	(signed C. Jens Zinke)
Director	Director

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

For the three-month and nine-month periods ended on **(Unaudited - in Canadian dollars)**

	Notes	December 31, 2016 (3 months)	December 31, 2015 (3 months)	December 31, 2016 (9 months)	December 31, 2015 (9 months)
		$	$	$	$
Operating expenses					
Audit and accounting fees		5,000	-	16,976	12,646
Legal fees		6,403	400	15,323	2,668
Consultant fees		2,000	-	2,000	-
Regulatory and transfer agent fees		3,581	1,941	16,795	21,543
Representation and travel		399	-	399	743
Advertising and promotion		623	-	1,782	-
Office expenses		338	-	951	714
Share-based payments		81,602	-	81,602	-
Expenses related to potential Qualifying Transactions	10	-	1,515	13,789	63,380
Operating loss		99,946	3,856	149,617	101,694
Other expenses (income)					
Interest income		-	-	-	(116)
Interest expense		57	18	143	100
Reversal of liability component related to the flow-through units		(12,812)	-	(12,812)	-
		(12,755)	18	(12,669)	(16)
Net loss and comprehensive loss		87,191	3,874	136,948	101,678
Basic and diluted net loss per common share		0.004	0.001	0.012	0.036
Weighted average number of common shares outstanding	11	20,258,618	2,800,500	11,434,333	2,800,500

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

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

For the nine-month periods ended on December 31, 2016 and 2015 **(Unaudited - in Canadian dollars)**

	Notes	Share capital		Warrants	Contributed Surplus	Deficit	Total
		Number	$	$	$	$	$
Balance on March 31, 2015		4,400,500	880,100	-	115,327	(765,159)	230,268
Net loss and comprehensive loss		-	-	-	-	(101,678)	(101,678)
Balance on December 31, 2015		4,400,500	880,100	-	115,327	(866,837)	128,590
Balance on March 31, 2016		4,400,500	880,100	-	115,327	(870,235)	125,192
Issuance of shares as part of an acquisition of mining rights	7	7,888,928	394,446	-	-	-	394,446
Issuance of units under a private placement	8	4,550,000	227,500	227,500	-	-	455,000
Issuance of flow-through units under a private placement	8	3,263,350	163,167	15,731	-	-	178,898
Issuance of shares as part of a finders fee payment	8	155,840	15,584	7,218	-	(22,802)	-
Cost related to the issuance of units	8	-	-	-	-	(83,998)	(83,998)
Share-based payments	9	-	-	-	81,602	-	81,602
		15,858,118	800,697	250,449	81,602	(106,800)	1,025,948
Net loss and comprehensive loss		-	-	-	-	(136,948)	(136,948)
Balance on December 31, 2016		20,258,618	1,680,797	250,449	196,929	(1,113,983)	1,014,192

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

CLEGHORN MINERALS LTD.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the three-month and nine-month periods ended on **(Unaudited - in Canadian dollars)**

	Notes	December 31, 2016 (3 months)	December 31, 2015 (3 months)	December 31, 2016 (9 months)	December 31, 2015 (9 months)
		$	$	$	$
OPERATING ACTIVITIES					
Net loss		(87,191)	(3,874)	(136,948)	(101,678)
Non-cash profit or loss items					
Share-based payments	9	81,602	-	81,602	-
Reversal of liability component related to the flow-through units		(12,812)	-	(12,812)	-
		68,790	-	68,790	-
Change in non-cash working capital items					
Amounts receivable from related companies	12	-	-	68,309	-
Sales taxes recoverable		(1,069)	1,305	(5,011)	3,914
Prepaid expenses		-	-	681	1,250
Accounts payable and accrued liabilities		24,888	(587)	32,807	(5,182)
		23,819	718	96,786	(18)
Net cash related to operating activities		5,418	(3,156)	28,628	(101,696)
INVESTING ACTIVITIES					
Additions to exploration and evaluation assets	7	(17,540)	-	(23,826)	-
Net cash related to investing activities		(17,540)	-	(23,826)	-
FINANCING ACTIVITIES					
Issuance of units	8	-	-	846,602	-
Cost related to the issuance of units	8	-	-	(83,998)	-
Net cash related to financing activities		-	-	762,604	-
Increase (decrease) in cash		(12,122)	(3,156)	767,406	(101,696)
Cash, beginning of period		835,784	62,294	56,256	160,834
Cash, end of period		823,662	59,138	823,662	59,138

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

NOTE 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Cleghorn Minerals Ltd., incorporated on February 16, 2010 under the Business Corporations Act of British Columbia (the "Company") is involved in the process of exploring, evaluating and promoting its mineral properties and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, Canada.

Up to August 18, 2016, date of completion of its Qualifying Transaction, the Company was classified as a "Capital Pool Company" ("CPC") for purposes of the policies of the TSX Venture Exchange (the "Exchange"). The Company's sole business as a Capital Pool Company has been to identify and evaluate businesses and assets in order to complete a "Qualifying Transaction" in accordance with the rules of the Exchange.

From February 21, 2013 until the completion of Qualifying Transaction, the common shares of the Company were trading on NEX under the symbol JZZ.H. Following the completion of the Qualifying Transaction the common shares of the Company were transferred back to the TSX Venture and are now trading under the symbol JZZ.

NOTE 2. GOING CONCERN ASSUMPTION

The accompanying interim condensed financial statements have been prepared using IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. At December 31, 2016, there are uncertainties that may cast significant doubt about the ability of the Company to continue its operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. Given its short history, the Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

As at December 31, 2016, the Company has an accumulated deficit of $1,113,983 ($870,235 as at March 31, 2016). The Company's ability to achieve these objectives cannot be determined at this time. The Company has prepared a budget for 2017 using assumptions that management considers reasonable. Achieving budgeted results depends mainly on control of general and administrative expenses as well as exploration and evaluation expenses. Management expects to meet its budget and have sufficient liquidities to fund its operations at least beyond December 31, 2017. Although management believes it has developed action plans to manage liquidity and operational risk, there is no assurance that these measures will be successful.

The carrying amounts of assets, liabilities, income and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

NOTE 3. BASIS OF PRESENTATION

These interim condensed financial statements, approved by the Board of Directors on February 3, 2017, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". These interim condensed financial statements as well as the related notes should be read in conjunction with the audited financial statements of the Company as at March 31, 2016.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and evaluation of financial statements

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 5 - Summary of Accounting Policies, of the Company's annual audited financial statements for the year ended March 31, 2016.

At December 31, 2016 and 2015 and March 31, 2016 (Unaudited - in Canadian dollars)

NOTE 5. QUALIFYING TRANSACTION

Meech Lake Matachewan Prospect

On August 18, 2016, the Company announced that it had completed the acquisition of the Meech Lake Matachewan Prospect, which serves as the Company's Qualifying Transaction in accordance with Exchange Policy 2.4. The acquisition of the Meech Lake Matachewan Prospect is a non-arm's length transaction that received shareholders approval on June 25, 2015.

As consideration for the property, the Company issued, on the closing of the acquisition, a) an aggregate of 7,888,928 common shares at a deemed price of $0.05 per share, b) paid to the Vendor a cash consideration of $5,000 (representing staking fees with respect to the property) and c) granted the Vendor a 3% net smelter royalty ("NSR") on the property. The common shares issued in payment for the acquisition are subject to escrow restrictions in accordance with the policies of the Exchange. Refer to Note 7 - Exploration and evaluation assets for a description of the Meech Lake Matachewan Prospect.

Concurrent with the acquisition of the Meech Lake Matachewan Prospect, the Company announced the completion a non-brokered private placement for gross proceed of $846,602 by issuing 3,263,350 flow-through units, 4,550,000 non flow-through units and 155,840 common shares in payment of finder's fees. Refer to Note 8 for a description of this private placement.

NOTE 6. CASH

	December 31, 2016	March 31, 2016
	$	$
Cash	455,647	56,256
Cash held for exploration expenses	368,015	-
	823,662	56,256

The cash held for exploration expenses represents the balance on flow-through financing not spent according to restrictions imposed by this financing arrangement. The Company has to dedicate these funds to mining properties exploration.

NOTE 7. EXPLORATION AND EVALUATION ASSETS

On January 5, 2015, the Company entered into a Mineral Claim Purchase Agreement, as amended and restated on April 1, 2015 and further amended and restated on May 14, 2015, with 2973090 Canada Inc. (the "Vendor") to acquire a 100% undivided interest in the Meech Lake Matachewan Prospect. The acquisition was completed on August 18, 2016. The Meech Lake Matachewan Prospect consists of three (3) mining claims situated in the Argyle, McNeil and Robertson Townships, approximately 25 km Northwest of Matachewan, in Northeastern Ontario.

Pursuant to the acquisition agreement, the Company granted the vendor a 3% NSR on metals or minerals (iron, titanium, vanadium, gold, silver, copper, zinc and any and all other minerals or elements) produced from the Property. The Company shall be entitled to repurchase 0.5% of the NSR, leaving the vendor with a 2.5% NSR, by paying to the vendor $1,000,000, and an additional 1%, leaving the vendor with a 1.5% NSR, by paying the vendor an additional $3,000,000.

On October 7, 2016, as part of a prospecting funding application, the Company signed a funding and royalty agreement with Ontario Exploration Corporation («OEC») under which the Company granted a 0.5% NSR on its Meech Lake Matachewan Prospect in consideration of $10,000 in cash payable as $5,000 upon signature of the agreement and $5,000 upon approval by the OEC of the final submission form and technical report and delivery by the Company of an assessment credit approval letter. As of December 31, 2016, the Company received $5,000 and expects to receive the final amount of $5,000 by March 31, 2017.

At December 31, 2016 and 2015 and March 31, 2016 (Unaudited - in Canadian dollars)

NOTE 7. EXPLORATION AND EVALUATION ASSETS (Continued)

The following table presents a summary of exploration and evaluation assets:

	March 31, 2016	Additions from August 18, 2016	December 31, 2016
	$	$	$
Meech Lake Matachewan Prospect (Ontario)			
Acquisition	-	399,446	399,446
Claim maintenance	-	239	239
Consultants	-	5,562	5,562
Sampling & testing	-	7,300	7,300
Geophysics	-	1,580	1,580
Geology	-	7,420	7,420
Maps and publications	-	1,725	1,725
Proceeds from the sale of a 0.5% NSR	-	(10,000)	(10,000)
	-	413,272	413,272

NOTE 8. SHARE CAPITAL

Authorized

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

Transaction on capital

On August 18, 2016, the Company completed the acquisition of the Meech Lake Matachewan Prospect, and pursuant to the acquisition agreement issued an aggregate of 7,888,928 common shares in payment at a deemed price of $0.05 a share. The common shares issued in payment for the acquisition are subject to escrow restrictions in accordance with the policies of the Exchange.

Concurrently to the acquisition of the Meech Lake Matachewan Prospect, the Company completed a non-brokered private placement offering for total gross proceeds of $846,602 of which the particulars are as follows:

The Company issued 3,263,350 flow-through units (the ''FT Units'') at a per FT Unit price of $0.12 for gross proceeds of $391,602, each FT Unit consisting of one common share in the capital of the Company issued on a flow-through basis under the Canada Income Tax Act and one-half of one non-transferable non-flow-through common share purchase warrant, each whole warrant entitling the holder to purchase one non-flow-through common share in the capital of the Company at a price of $0.15 per share until February 18, 2018. The fair value of the 1,631,674 warrants was estimated at $0.01 using the Black-Scholes pricing model with the following assumptions: an expected volatility of 100%, a risk-free interest rate of 0.56%, an expected unit life of 1.5 years, no expected dividend yield and a share price at date of grant of $0.05. As a result, the warrants were valued at $15,731 and recorded under Warrants in the statement of changes in equity. Also, an amount of $212,704 was attributed to the liability component related to the flow-through units and recorded as such in liabilities.

The Company issued 4,550,000 units (the ''Units'') at a per Unit price of $0.10 for gross proceeds of $455,000, each Unit consisting of one non-flow-through common share in the capital of the Company and one non-transferable common share purchase warrant, entitling the holder to purchase one common share in the capital of the Company at a price of $0.12 per share until February 18, 2018. The warrants were valued at $227,500 based on the residual method and recorded under Warrants in the statement of changes in equity.

At December 31, 2016 and 2015 and March 31, 2016 (Unaudited - in Canadian dollars)

NOTE 8. SHARE CAPITAL (Continued)

In connection with the private placement, the Company paid finder's fees to various arms' length parties of an aggregate of $48,434 in cash and issued an aggregate of 155,840 common shares in lieu of cash fees at a deemed price of $0.10 per share, plus an aggregate of 602,200 non-transferable warrants (the ''Finder Warrants''). Each Finder Warrant will entitle the holder to purchase one common share in the capital of the Company at a price of $0.12 per share until February 18, 2018. The fair value of the 602,200 finder warrants was estimated at $0.01 using the Black-Scholes pricing model with the following assumptions: an expected volatility of 100%, a risk-free interest rate of 0.56%, an expected unit life of 1.5 years, no expected dividend yield and a share price at date of grant of $0.05. As a result, the finder warrants were valued at $7,218 and recorded under Warrants in the statement of changes in equity.

Total issuance cost of $106,800 was incurred in connection with the non-brokered private placement: total cash payments of $83,998 and fair value of shares and finder warrants issued in payment of finder's fees respectively of $15,584 and $7,218.

In the absence of a trading history of the Company's shares, the expected volatility used in the valuation of warrants and broker warrants described above is based on the historical volatility of similar listed companies for comparable periods. No special features inherent to the warrants granted were incorporated into measurement of fair value.

Escrowed Shares

As required by applicable securities commissions and those of the TSX, and under an agreement entered with a transfer agent from Computershare Investor Services Inc., a total of common shares have been placed in escrow and deposited with a trustee under escrow agreements before the completion of the Qualifying Transaction. On August 18, 2016, following the completion of the Qualifying Transaction, 10% of the escrowed shares were released. The balances of restricted shares will be released at a rate of 15% in each of the anniversaries of 6, 12, 18, 24, 30 and 36 months following the initial release. As at December 31, 2016, there were 8,562,535 escrowed shares (1,625,000 as at March 31, 2016).

Warrants

The following table shows the changes in warrants:

	December 31, 2016		March 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Outstanding, beginning of period	-	-	-	-
Issued	6,783,874	0.13	-	-
Outstanding, end of period	6,783,874	0.13	-	-

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

Expiration date	Exercise price	Number of warrants outstanding
	$	
February 18, 2018	0.12	5,152,200
February 18, 2018	0.15	1,631,674
		6,783,874

At December 31, 2016 and 2015 and March 31, 2016 (Unaudited - in Canadian dollars)

NOTE 9. SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan dated May 11, 2010 and amended on December 17, 2010 in accordance with the policies of the TSX Venture Exchange (the''Stock Option Plan'') pursuant to which it has granted options to purchase common shares to directors, officers and technical consultants. The options will be exercisable at the price set by the Company's board of directors and for a period of up to ten years from the date of grant, provided that the number of common shares reserved for the Share Option Plan do not exceed ten percent (10%) of the issued and outstanding common shares of the Company and that the option price is not to be lower than the Initial Public Offering share price. Any common share acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow.

The following table shows the changes in stock options:

	December 31, 2016		March 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Outstanding, beginning of period	350,000	0.20	350,000	0.20
Granted	1,300,000	0.12	-	-
Outstanding, end of period	1,650,000	0.14	350,000	0.20

The number of outstanding stock options that could be exercised for an equal number of common shares is as follows:

		December 31, 2016		March 31, 2016	
Expiry date	Exercise price	Number outstanding	Number exercisable	Number outstanding	Number exercisable
	$				
November 2, 2018	0.12	1,300,000	1,300,000	-	-
November 16, 2020	0.20	350,000	350,000	350,000	350,000
		1,650,000	1,650,000	350,000	350,000

At December 31, 2016 and 2015 and March 31, 2016 (Unaudited - in Canadian dollars)

NOTE 9. SHARE-BASED PAYMENTS (Continued)

The fair value of share options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	December 31, 2016	March 31, 2016
	$	$
Weighted average price at the grant date	0.12 $	-
Weighted average exercise price	0.12 $	-
Expected dividend	- $	-
Expected average volatility	100%	-
Risk-free average interest rate	0.54%	-
Expected average life	2 years	-
Weighted fair value per share option	0.06 $	-

In the absence of a trading history of the Company's shares, the expected volatility used in the valuation of share option is based on the historical volatility of similar listed companies for comparable periods.

An expense for share-based payments of $81,602 was recognized during the nine-month period ended December 31, 2016 ($nil during the year ended March 31, 2016).

NOTE 10. EXPENSES RELATED TO POTENTIAL QUALIFYING TRANSACTION

Total amount spent toward the identification and acquisition of a Qualifying Transaction per period is as follow:

	December 31, 2016 (3 months)	December 31, 2015 (3 months)	December 31, 2016 (9 months)	December 31, 2015 (9 months)
	$	$	$	$
Audit, tax and accounting fees	-	-	-	11,440
Legal fees	-	1,515	3,396	60,603
Regulatory and transfer agent fees	-	-	10,393	-
Tax credits (1)	-	-	-	(8,663)
	-	1,515	13,789	63,380

(1) Refundable tax credit and refundable mining duties related to the airborne survey performed.

NOTE 11. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential common shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings (loss) per share in the future are given in Note 8 and 9.

Both the basic and diluted loss per share have been calculated using the loss attributable to owners of the Company as the numerator, i.e. no adjustment to the loss were necessary in either of the periods presented.

NOTE 11. LOSS PER SHARE (Continued)

Seed shares were excluded from weighted average number of shares outstanding calculated for the three-month and nine-month periods ended December 31, 2015 because they were considered as contingently issuable share until the qualifying transaction occurs. Seed Shares are included in the calculation of the weighted average number of shares outstanding starting August 18, 2016 date of completion of the qualifying transaction.

The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and share options.

NOTE 12. RELATED PARTY TRANSACTIONS

Transaction with key management

Key management includes members of the Board of Directors. There was no related party transaction during the periods ended December 31, 2016 and 2015, other than those disclosed below.

The acquisition of the Meech Lake Matachewan Prospect constitutes a related party transaction. The Vendor, 2973090 Canada Inc. is a privately held mineral exploration company wholly-owned and controlled by Glenn J. Mullan, who is also the president and CEO of the Company. In addition, pursuant to the acquisition agreement, other relatives of Mr. Mullan and some directors of the Company and consultants are to receive some of the shares issued by the Company in payment of the property.

As at March 31, 2016, the Company had total receivables from related parties of $68,309; $55,554 from the Vendor, an entity wholly-owned by the Company's President, and $12,755 from a company with common directors. The aggregate $68,309 represents disbursements incurred by the Company on behalf of the Vendor in connection with exploration of the Meech Lake Matachewan Prospect. Those amounts were fully reimbursed to the Company prior to the closing of the Meech Lake Matachewan acquisition on August 18, 2016.