



KITRINOR
METALS INC.

(an exploration stage company)

Unaudited Interim Condensed Financial Statements
(Expressed in Canadian dollars)

As at and for the three and six months ended
June 30, 2017 and 2016



KITRINOR
METALS INC.
(an exploration stage company)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed financial statements of Kitrinor Metals Inc. (the "Company") are the responsibility of management and have been approved by the Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the Statement of Financial Position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Jonathan Gilbert"
President and Chief Executive Officer

"Jonathan Held"
CFO

NOTICE TO READER

The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed financial statements for the three and six months ended June 30, 2017 and 2016 have not been reviewed by the Company's auditors.



KITRINOR
METALS INC.
(an exploration stage company)

Interim Condensed Statements of Financial Position
(Expressed in Canadian Dollars)

As at	June 30, 2017	December 31, 2016
	(Unaudited)	(Audited)
	\$	\$
Assets		
Current Assets		
Cash	3,449	2,874
Receivables (Note 5)	2,969	4,874
	6,418	7,748
Liabilities		
Current Liabilities		
Trade and other payables (Note 6)	47,493	22,614
Due to Scythian Biosciences Inc. (Note 12)	32,889	-
	80,382	22,614
Deficiency in Assets		
Capital Stock (Note 8)	2,945,824	2,806,531
Special Warrants	-	392,000
Warrant Reserves (Note 9)	360,811	106,000
Share-based Payments Reserves (Note 10)	1,459,792	1,459,792
Deficit	(4,840,391)	(4,779,189)
	(73,964)	(14,866)
	6,418	7,748

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 12)

Approved on behalf of the Board on August 18, 2017:

Signed "Jonathan Gilbert"
Director

Signed "Peter Benz"
Director

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



KITRINOR
METALS INC.

(an exploration stage company)

Interim Condensed Statements of Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	<i>Three Months Ended June 30,</i>		<i>Six Months Ended June 30,</i>	
	2017	2016	2017	2016
	\$	\$	\$	\$
Administrative Expenses				
Professional fees	33,027	3,395	36,527	5,895
General and administrative	2,862	4,834	3,686	8,920
Exploration and evaluation expenditures	-	-	(100)	-
Shareholder information	12,875	6,822	21,089	13,797
Net loss and comprehensive loss	(48,764)	(15,051)	(61,202)	(28,612)
Loss per share - basic and diluted	(0.08)	(0.12)	(0.10)	(0.24)
Weighted average number of shares outstanding – basic and diluted	652,608	121,532	602,548	121,532

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

Interim Condensed Statements of Changes in Equity
(Unaudited)
(Expressed in Canadian Dollars)

	Capital Stock		Special Warrants		Reserves			Total
	Number of shares*	Amount	Number of shares	Amount	Share based payments	Warrants	Deficit	
Balance at January 1, 2016	121,532	\$ 2,806,531	-	\$ -	\$ 1,459,792	\$ -	\$ (4,707,115)	\$ (440,792)
Net loss	-	-	-	-	-	-	(28,612)	(28,612)
Balance at June 30, 2016	121,532	\$ 2,806,531	-	\$ -	\$ 1,459,792	\$ -	\$ (4,735,727)	\$ (469,404)
Special warrants issued for cash	-	-	10,000,000	500,000	-	-	-	500,000
Issuance costs – cash	-	-	-	(2,000)	-	-	-	(2,000)
Share issuance costs – broker warrants	-	-	760,000	(106,000)	-	106,000	-	-
Net loss	-	-	-	-	-	-	(43,462)	(43,462)
Balance at December 31, 2016	121,532	\$ 2,806,531	538,000	\$ 392,000	\$ 1,459,792	\$ 106,000	\$ (4,779,189)	\$ (14,866)
Special warrants conversion to shares	538,000	392,000	(538,000)	(392,000)	-	-	-	-
Fair value of warrants issued	-	(255,310)	-	-	-	255,310	-	-
Shares issued on exercise of warrants	1,052	2,603	-	-	-	(499)	-	2,104
Net loss	-	-	-	-	-	-	(61,202)	(61,202)
Balance at June 30, 2017	660,584	\$ 2,945,824	-	\$ -	\$ 1,459,792	\$ 360,811	\$ (4,840,391)	\$ (73,964)

* During 2016, the Company underwent a 10:1 share consolidation and on August 1, 2017, the Company underwent an additional 20:1 consolidation. All previous share amounts have been restated on a 200:1 basis.

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



KITRINOR
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Interim Condensed Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

<i>Six Months Ended June 30,</i>	2017	2016
Operating activities	\$	\$
Net loss	(61,202)	(28,612)
Adjustment to reconcile comprehensive loss to net cash used by operating activities:		
Interest accretion on loan payable	-	1,896
	(61,202)	(26,716)
Net Change in non-cash working capital items:		
Trade and other receivables	1,905	1,048
Trade and other payables	24,879	671
Due to Scythian Biosciences Inc.	32,889	-
	(1,529)	(24,997)
Financing activities		
Issuance of common shares	2,104	-
Loan from related party	-	25,000
	2,104	25,000
Increase (Decrease) in cash	575	3
Cash at beginning of period	2,874	280
Cash at end of period	\$ 3,449	\$ 283

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



(an exploration stage company)

Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended June 30, 2017 and 2016

1. NATURE OF OPERATIONS AND GOING CONCERN

Kitrinor Metals Inc. ("Kitrinor" or the "Company") is incorporated under the laws of the Province of Ontario. The Company is considered to be in the exploration stage. The principal business of the Company is the acquisition, exploration and development of mineral properties in Canada. The Company's registered head office is 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1.

The Company's common shares trade on the TSX-V under the trading symbol "KIT". The Company is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

As at June 30, 2017, the Company had a working capital deficiency of \$73,964 (December 31, 2016 – \$14,866), had not yet achieved profitable operations, has accumulated losses of \$4,840,391 (December 31, 2016 - \$4,779,189) and expects to incur future losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interest in mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

When stock market conditions become favourable for mineral exploration companies to raise capital, management plans to secure the necessary financing through a combination of the exercise of existing warrants for the purchase of common shares, the issue of new equity or debt instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.



(an exploration stage company)

Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended June 30, 2017 and 2016

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC).

These financial statements were authorized for issuance by the Board of Directors of the Company on August 18, 2017.

2.2 Basis of presentation and functional and presentation currency

These unaudited interim condensed financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2016 annual audited financial statements. Management advises readers of these unaudited interim condensed financial statements to review the audited financial statements and accompanying notes as at December 31, 2016 in conjunction with the review of these statements.

The financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

2.3 Adoption of new and revised standards and interpretations

New standards and interpretations adopted

No new relevant standards were applied for the first time during the period ended June 30, 2017.

Standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRSIC") that are mandatory and would be applicable to Kitrinor for annual periods on or after January 1, 2017. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 9 – Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. A new hedge accounting model is introduced and represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. The Company has yet to assess the full impact of IFRS 9.
- IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and will replace IAS 17, "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 has also been applied. The Company is assessing the impact of this standard on the Company's financial statements.



(an exploration stage company)

Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended June 30, 2017 and 2016

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management as this form of measure is irrelevant to the effective management of capital for an exploration stage company. Instead, the Board relies on the expertise of the Company's managements to sustain future development of the business.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to any capital requirements imposed by regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2016, the Company is not compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

There were no changes in the Company's approach to capital management during the period ended June 30, 2017. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash fair value through profit and loss ("FVTPL"), which are measured at fair value. Trade and other payables and loan payable are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair values of trade and other payables are determined from transaction values which were derived from observable market inputs.

As at June 30, 2017, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the balance sheet.

- **Cash**

Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.



(an exploration stage company)

Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended June 30, 2017 and 2016

4. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at June 30, 2017, the Company had a working capital deficiency of \$73,964 (December 31, 2016 – \$14,866). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. As such, management believes that the Company will then have sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. There can be no assurance that Kitrinor will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Kitrinor may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain adequate additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

- **Interest rate risk**

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

5. RECEIVABLES

The Company's trade and other receivables arise from two main sources: receivables due from third parties for property sales and harmonized services tax ("HST") receivable. These are broken down as follows:

	As at	
	June 30, 2017	December 31, 2016
HST recoverable	\$ 2,969	\$ 4,374
Other Receivables	-	500
Total Trade and Other Receivables	\$ 2,969	\$ 4,874

6. TRADE AND OTHER PAYABLES

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

The following comprises trade and other payables:

	As at	
	June 30, 2017	December 31, 2016
Trade payables	\$ 6,074	\$ 613
Professional fees	41,419	22,001
Total Trade and Other Payables	\$ 47,493	\$ 22,614

During the period ended June 30, 2017 \$nil (December 31, 2016 – \$10,933) of debt was forgiven.



(an exploration stage company)

Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended June 30, 2017 and 2016

7. DUE TO RELATED PARTIES

As at June 30, 2017, the trade and other payables balances includes related-party amounts of \$12,001 (December 31, 2016 - \$12,001).

On March 2, 2015 and revised June 19, 2015 and May 3, 2016, the Company executed a Promissory Note in the amount of \$65,000 to a director, officer and shareholder of the Company (hereinafter called the "Holder"), bearing interest at a rate of 8% calculated monthly, not in advance, as well as after as before and after default. Funds were used towards general operating expenses. Under the terms of the Promissory Note the principal and any accrued and unpaid interest owing shall become due and be paid in full on demand, which demand may be made by the Holder at any time. In addition, at any time and from time to time, any portion of the principal may be repaid without any notice being given to the Holder and without any bonus or penalty being paid to the Holder. On October 31, 2016 the Company paid this loan in full.

8. CAPITAL STOCK

(a) Authorized

An unlimited number of common shares.

(b) Issued

	No. of Shares	\$
Balance at December 31, 2015 and 2016	121,532	\$ 2,806,531
Special warrants conversion to shares	538,000	392,000
Fair value of warrants issued	-	(255,310)
Shares issued on exercise of warrants	1,052	2,104
Balance at June 30, 2017	660,584	\$ 2,945,325

On October 11, 2016, the Company completed a private placement of pre consolidated special warrants at a price of \$0.005 per special warrant for gross proceeds of \$500,000. Each pre consolidated special warrant unit is exchangeable, for no additional consideration, into one-tenth (1/10) of a post consolidation unit of the Company resulting subscribers receiving one whole post consolidation unit for each pre consolidation special ten (10) special warrants purchased following the Consolidation (as defined below) of the common shares of the Company. Each post consolidate whole Unit is comprised of one common share of the Company and one common share purchase warrant of the Company. Each Warrant entitles the holder thereof to purchase one-tenth (1/10) of a pre consolidated Warrant Share for a period of three (3) years after the closing date of the Offering at a price of \$0.01 per pre consolidated Warrant Share (subject to adjustment following the Consolidation).

The Special Warrants were automatically exchanged for Units upon satisfaction of the following Conditions:

1. the completion of a consolidation of the outstanding common shares of the Company on a 10 (old) common shares for 1 (new) common share (the "**Consolidation**");
2. receipt of approval of the TSX Venture Exchange for the Offering and the Consolidation; and
3. receipt of all regulatory approvals required for the Offering and the Consolidation.

Certain eligible persons were paid a commission equal to 8% of the gross proceeds of the Offering (satisfied through the issuance of Units at the Purchase Price or cash, at the option of the Finder) and issue non-transferable broker warrants equal to 8% of the Special Warrants issued pursuant to the Offering. Each Broker Warrant entitles the holder to acquire one Unit at the Purchase Price (subject to adjustment following the Consolidation) for a period of two (2) years following the closing date of the Offering.

On January 19, 2017, all special warrants were exchanged for Units. In connection with the private placement, the Company paid \$2,000 in finders' fees and issued 760,000 special warrants.



(an exploration stage company)

Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended June 30, 2017 and 2016

8. CAPITAL STOCK (continued)

On August 1, 2017, the Company underwent an additional 20:1 consolidation. All previous share amounts have been restated on a 200:1 basis.

(c) Outstanding Issued Warrants

The outstanding issued warrants balance at June 30, 2017, is comprised of 250 non-broker warrants at an exercise price of \$50.00 that expire on December 19, 2017; 538,000 warrants and 40,000 broker warrants at an exercise price of \$1.00 that expire October 11, 2018.

(d) Stock Options

The Company established a stock option plan (the "Plan") as a method of providing incentives and as a form of remuneration to its officers, directors, employees and consultants. The Plan allows for the issuance of up to 10% of the issued and outstanding common shares. At June 30, 2017, total options available for issuance under this Plan amount to 66,058 common shares.

Stock option transactions and the number of stock options issued and outstanding are as follows:

	June 30, 2017		December 31, 2016	
	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding and exercisable at beginning of period/year	\$ 50.00	10,675	\$ 50.00	10,675
Outstanding and exercisable at end of period/year	\$ 50.00	10,675	\$ 50.00	10,675

The remaining weighted average life remaining on the stock options is 0.72 years (December 31, 2016 – 0.97).

9. WARRANT RESERVES

A summary of the changes in the Company's reserves for warrants for the three months ended June 30, 2017, and for the year ended December 31, 2016, are set out below:

	June 30, 2017	December 31, 2016
	Amount \$	Amount \$
Balance at beginning of period/year	106,000	-
Warrants issued	255,310	-
Warrants exercised	(499)	-
Broker warrants issued	-	106,000
Balance at end of period/year	360,811	106,000



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Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended June 30, 2017 and 2016

9. WARRANT RESERVES (continued)

The following table summarizes the assumptions used with the Black-Scholes valuation model for warrants issued and outstanding as at June 30, 2017:

Grant date	October 11, 2016	January 19, 2017	Total
No. of warrants	40,000	538,000	578,000
Exercise price	\$ 1.00	\$ 1.00	
Expected life in years	2	3	
Volatility	179.99%	171.766%	
Risk-free interest rate	0.56%	0.56%	
Grant date share price	0.15	0.19	
Dividend yield	-	-	
Fair value of warrants	\$ 106,000	\$ 255,310	\$ 361,310

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of the Company. Changes in the underlying assumptions can materially affect the fair value estimates.

Broker warrants issued to non-employees were valued using the fair value of the equity instrument granted in the absence of a reliable estimate of the fair value of the goods or services received.

10. SHARE BASED PAYMENT RESERVES

A summary of the changes in the Company's reserves for share based payments for the three months ended June 30, 2017 and for the year ended December 31, 2016 are set out below:

	June 30, 2017	December 31, 2016
	Amount	Amount
	\$	\$
Balance at beginning of period/year	1,459,792	1,459,792
Balance at end of period/year	1,459,792	1,459,792

11. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenses for the Company are broken down as follows:

	Three Months Ended		Six Months Ended		Cumulative to date
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
			\$		
Bayview Property	\$ (100)	\$ -	(100)	\$ -	\$ 11,043
Caley Lake	-	-	-	-	16,782
Culroc Property	-	-	-	-	471,977
Feather River Property	-	-	-	-	420,160
Exploration and Evaluation Costs	\$ (100)	\$ -	(100)	\$ -	\$ 919,962



(an exploration stage company)

Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended June 30, 2017 and 2016

11. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Caley Lake Property

The Company staked mining claims that are located in the Patricia Mining Division south west of Pickle Lake, Ontario.

On July 15th, 2010, the Company optioned the Caley Lake Property to a third party providing them an undivided 80% right, title and interest in and to the claims in consideration for completion of certain Work Costs (as defined in the agreement) during the Option Period expiring on July 15th, 2015 such that the cumulative sum of all Work Costs totals \$250,000 or the sum of all Work Costs and a direct cash payment made by the Optionee totals \$250,000. Kitrinor retains a 2% net smelter return/royalty, which the Optionee has the exclusive right and option to purchase one half of the Royalty (1%) at any time for \$750,000.

On June 25, 2015, the conditions, as above, necessary for title to pass to the Optionee had been met and the Company has transferred title according to the agreement with the Company retaining 20% interest.

On January 20, 2017 the Company entered into an Assignment Agreement to assign all of its rights, title and interest in the Option Agreement to Generic Capital Corporation.

Culroc Property

On September 27th, 2011 the Company entered into a Mining Claim Acquisition Agreement (the "Agreement") whereby Kitrinor acquired 100 percent interest ("Sothman Property") located in the Township of Sothman in the Porcupine mining division of Ontario.

Under the terms of the Agreement, Kitrinor paid \$10,000 upon the execution of the Agreement.

Kitrinor shall pay to the Vendors a 3 percent (3%) Net Smelter Return (NSR) production royalty from the production or sale of gold or other minerals from the Culroc Property. Kitrinor will have the sole and exclusive right and option to purchase 1% of the Royalty (such that the remaining Royalty shall be reduced to 2% of Net Returns) for a price equal to the Reduction Price of \$1,500,000.

On December 18, 2012 the Company entered into a Memorandum of Understanding (the "MOU") with the Mattagami First Nation ("MFN") in order to promote a cooperative ongoing discussion between the parties with regards to the exploration and development of the Company's mining claims located in the traditional territory of the MFN (the "Project").

The MOU establishes the general framework for these discussions by setting out, among other things, business, employment and training opportunities for members of the MFN to participate in the exploration and development in connection with the Project.

Pursuant to the terms of the MOU, the Company has: (i) paid 2% of all drilling and exploration costs incurred to date with respect to the exploration program on the Project; (ii) issued to the MFN 250 options to acquire common shares of the Company at an exercise price of \$50.00; and (iii) issued 250 common shares in the capital of the Company.

The Company is also required to pay the MFN's legal costs associated with negotiating the MOU of \$2,500, and pay up to a maximum of \$15,000 per year to the MFN's Elders Committee. The Company is also required to enter into negotiations to come to terms on an Impact Benefit Agreement ("IBA"), which is to be negotiated before the completion of a feasibility study, covering such matters as education and training; employment opportunities; workplace conditions; business opportunities; financial participation and/or compensation; environmental protection, litigation, monitoring and reporting; and access to the project area. Under the MOU the Company is also required to pay the MFN's reasonable costs of negotiating the IBA.

On November 24, 2016 the Company entered into a Mining Claim Acquisition Agreement (the "Agreement") whereby Kitrinor sold 100 percent interest in the Sothman Property for a cash payment of \$500.



(an exploration stage company)

Notes to Condensed Interim Financial Statements
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Three and Six Months Ended June 30, 2017 and 2016

11. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Feather River Property

In March 2011 and amended on February 18, 2014, the Company entered into an Option Agreement (the "Agreement") whereby it was granted the sole, exclusive and irrevocable right and option to acquire up to an undivided 100 % interest in St. Germain Township, Sault Ste. Marie Mining Division, Province of Ontario ("Feather River Property") in the Mishibishu Lake area west of Wawa.

Under the terms of the Agreement, upon any recapitalization, such as a split or consolidation which transpired on June 1, 2011, the number of consideration shares issued shall be adjusted to preserve the economic equivalent. As such, Kitrinor may exercise its option and thereby earn its interest in the property upon fulfilling the commitment to pay the seller \$150,000 and 3,750 shares of Kitrinor as follows:

- a) \$15,000 (paid) and 250 shares (issued) upon signing of the agreement;
- b) an additional \$25,000 (paid) and 250 shares on March 1st, 2012 (issued);
- c) an additional \$35,000 (paid) and 250 shares on March 1st, 2013 (issued);
- d) an additional 1,750 shares on March 1st, 2014; (issued);
- e) an additional \$75,000 and 1,250 shares on March 1st, 2015 (see below);
- f) by carrying out expenditures to keep the claims in good standing.

Kitrinor shall pay to the Vendors a Net Smelter Return (NSR) production royalty from the production or sale of gold or other minerals from the Feather River Property. The production royalty rate shall be 2 percent (2%). Kitrinor will have the sole and exclusive right and option to buy back the entirety of the royalty (2%) in increments of \$500,000 per 0.5% each for a total of \$2,000,000

The Company's commitment to the Feather River Property Agreement with respect to the Feather River property above required payment of cash and shares on March 1, 2015. As of the date of this report this Kitrinor is in default of this payment but has not yet received a Notice of Termination of the Agreement.

Bayview Property

This property has been staked by Kitrinor and is contiguous to Feather River.

Upon Kitrinor meeting the terms and conditions for the Feather River Property, there shall be an "Area of Interest" consisting of any mineral interest, any part of which falls within these adjoining claims. The whole of such interest to the seller of the Feather River Property shall be limited as above and Kitrinor shall pay to the Vendors a Net Smelter Return (NSR) production royalty from the production or sale of gold or other minerals from the Bayview Property.

The production royalty rate shall be 2 percent (2%). Kitrinor will have the sole and exclusive right to option to buy back the entirety of the royalty (2%) in increments of \$500,000 per 0.05% each for a total of \$2,000,000.

On February 16, 2017 the Company entered into a Mining Claim Acquisition Agreement (the "Agreement") whereby Kitrinor sold 100 percent interest in the Bayview Property for a cash payment of \$100.



(an exploration stage company)

Notes to Condensed Interim Financial Statements (Expressed in Canadian Dollars)

Three and Six Months Ended June 30, 2017 and 2016

12. SUBSEQUENT EVENTS

TRANSACTION

On June 6, 2017, the Company entered into a Business Combination Agreement with Scythian Biosciences Inc. ("Scythian"), a private biotechnology company, and 10188760 Canada Inc., a wholly owned subsidiary of the Company for the purposes of the Business Combination Agreement ("Subco"), pursuant to which Scythian will amalgamate with Subco by way of a three-cornered amalgamation under the federal laws of Canada (the "Transaction"). The Transaction constitutes a reverse takeover of the Company and the business of the resulting merged entities (the "Reporting Issuer") will become the business of Scythian. At June 30, 2017, the Transaction was subject to regulatory approval, including the approval of the TSX Venture Exchange ("TSXV"), and certain closing conditions; including completion of a share consolidation, name change, approval of a deferred share unit plan, and the election of the Resulting Issuer directors. On August 1, 2017, the Company completed the Transaction. On August 8, 2017, the Company started trading on the TSXV under the symbol SCYB.

Effective August 1, 2017, and in connection with the Transaction, the Company effected a reverse stock split on the basis of 1:20. As such, all shares of common stock issued and outstanding were decreased on the basis of one new share for each twenty old shares. These interim condensed consolidated financial statements give retroactive effect to such reverse split and all share and per share amounts have been adjusted accordingly.

During the period ended June 30, 2017, Scythian advanced \$32,889 to Kitrinor in order to meet payment of the Companies expenses.

Concurrent Financing

As a condition to the completion of the Transaction, Scythian will complete a brokered subscription receipt financing, through a syndicate of agents led by Clarus Securities Inc. and including Haywood Securities Inc. (the "Agents"), for aggregate gross proceeds of up to \$10,000,000 through the issuance of up to 25,000,000 subscription receipts ("Subscription Receipts") at a price of \$0.40 per Subscription Receipt (the "Offering"), subject to the rules of, and approval by, the TSXV. Upon satisfaction of the escrow release conditions, including all conditions precedent to the Transaction being satisfied, each Subscription Receipt will automatically convert without any further action on the part of the holder into one (1) common share of the Resulting Issuer. Should the escrow release conditions not be satisfied, the Subscription Receipts will be cancelled and all proceeds from the sale of Subscription Receipts will be returned to subscribers without interest.

As compensation for the services provided in connection with the Offering, the Agents will receive a cash commission equal to 7% of the gross proceeds raised in connection with the Offering and broker warrants equal to 7% of the Resulting Issuer Shares.

On March 14, 2017 and June 30, 2017, Scythian announced the issuance of \$13,085,000 and \$200,000, respectively of Subscription Receipts to raise gross proceeds of \$13,285,000. In addition to this, Scythian also completed a financing of common shares to raise gross proceeds of \$2,964,946.

Upon completion of the Transaction, the proceeds of the Offering will be used to further develop the business of the Resulting Issuer and for general working capital purposes.