



**Condensed Interim Financial Statements**  
For the three months ended March 31, 2018 and 2017  
Expressed in Canadian Dollars

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## Management Report

The accompanying unaudited condensed interim financial statements, and accompanying notes thereto, of Strategic Resources Inc. for the three months ended March 31, 2018 and 2017 have been prepared by management and approved by the Company's Audit Committee and Board of Directors.

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

The accompanying unaudited condensed 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 condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim financial statements by an entity's auditor.

/s/ Mark Tommasi

Mark Tommasi, Chief Executive Officer  
Vancouver, BC Canada  
May 22, 2018

/s/ Steven Brassard

Steven Brassard, Chief Financial Officer  
Vancouver, BC Canada  
May 22, 2018

**Strategic Resources Inc.**  
**Condensed Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian Dollars)

	Notes	March 31, 2018	December 31, 2017
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	\$ 66,964	\$ 80,682
Receivables	5	386	5,646
<b>TOTAL ASSETS</b>		<b>\$ 67,350</b>	<b>\$ 86,328</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	6	\$ 14,030	\$ 17,358
<b>TOTAL LIABILITIES</b>		<b>14,030</b>	<b>17,358</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	9,878,287	9,878,287
Contributed surplus warrants	8	4,864,517	4,864,517
Contributed surplus options	8	2,343,981	2,343,981
Deficit		(17,033,465)	(17,017,815)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>53,320</b>	<b>68,970</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 67,350</b>	<b>\$ 86,328</b>

Ability to continue as a going concern (Note 2(d))

Approved on behalf of the Board:

/s/ Blair McIntyre

Director

/s/ Mark Tommasi

Director

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

## Strategic Resources Inc.

### Condensed Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended March 31,	
	2018	2017
<b>Operating expenses</b>		
Office and miscellaneous	\$ 9,996	\$ 7,571
Professional	645	-
Project evaluation and investigation	5,009	161,311
<b>Net loss and comprehensive loss</b>	\$ (15,650)	\$ (168,882)
<b>Basic and diluted loss per share</b>	\$ (0.00)	\$ (0.02)
<b>Weighted average number of common shares outstanding</b>	<b>9,173,302</b>	<b>9,173,302</b>

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

**Strategic Resources Inc.**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended March 31,	
	2018	2017
<b>Cash flows from operating activities</b>		
Net loss	\$ (15,650)	\$ (168,882)
Changes in non-cash working capital items		
Receivables	5,260	873
Accounts payable and accrued liabilities	(3,328)	19,806
	<b>(13,718)</b>	<b>(148,203)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(13,718)</b>	<b>(148,203)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>80,682</b>	<b>327,026</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 66,964</b>	<b>\$ 178,823</b>

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

## Strategic Resources Inc.

### Condensed Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus		Accumulated Deficit	Total
	Number of Shares	Amount	Share-based Payments	Warrants		
<b>Balance at December 31, 2016</b>	9,173,302	\$ 9,878,287	\$ 2,343,981	\$ 4,864,517	\$ (16,796,630)	\$ 290,155
Net loss	-	-	-	-	(168,882)	(168,882)
<b>Balance at March 31, 2017</b>	9,173,302	9,878,287	2,343,981	4,864,517	(16,965,512)	121,273
Net loss	-	-	-	-	(52,303)	(52,303)
<b>Balance at December 31, 2017</b>	9,173,302	9,878,287	2,343,981	4,864,517	(17,017,815)	68,970
Net loss	-	-	-	-	(15,650)	(15,650)
<b>Balance at March 31, 2018</b>	9,173,302	\$ 9,878,287	\$ 2,343,981	\$ 4,864,517	\$ (17,033,465)	\$ 53,320

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

# Strategic Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the Three Months Ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

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### 1. CORPORATE INFORMATION

Strategic Resources Inc. (the "Company") was incorporated under the Ontario *Business Corporation Act* on October 25, 2004 and received continuation under the British Columbia *Business Corporation Act* on June 7, 2016. The Company is listed on the TSX-Venture Exchange ("TSX-V"), having the symbol STI.

The Company is in the process of evaluating mineral property opportunities. On the basis of the information it has available to date, the Company has not yet determined whether it will proceed with acquiring an interest in the mineral properties it is evaluating. It is not determinable if the Company will be able to complete an acquisition of any mineral property it is evaluating.

The address of the Company's registered office and principal place of business is Suite 2900, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5.

### 2. BASIS OF PREPARATION

#### a) Statement of Compliance

The condensed interim financial statements of the Company for the three months ended March 31, 2018, including comparatives, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

These condensed interim financial statements have been prepared on the basis of and using accounting policies, methods of computation and presentation consistent with those applied in the audited annual financial statements for the year ended December 31, 2017.

The condensed interim financial statements do not include all the information required for full annual financial statements. On May 22, 2018, the Company's Audit Committee and its Board of Directors approved and authorized these condensed interim financial statements for issue.

#### b) Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments that are stated at fair value.

The condensed interim financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar, unless otherwise indicated.

#### c) Use of estimates and judgments

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenues and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. They form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision, and further periods, if the revision affects both current and future periods.

# Strategic Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three Months Ended March 31, 2018

(Unaudited - Expressed in Canadian Dollars unless otherwise stated)

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## 2. BASIS OF PREPARATION (continued)

### c) Use of estimates and judgments (continued)

Judgments made by management in the application of IFRS that have a significant effect on the condensed interim financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3.

### d) Ability to condensed interim continue as a going concern

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, these condensed interim financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in the condensed interim financial statements. There is substantial doubt that the Company can meet operating and project evaluation expenditures it anticipates requiring during the next twelve months due to its limited working capital. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; in the period of the change and future periods, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below.

### Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the actual outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

# Strategic Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three Months Ended March 31, 2018

(Unaudited - Expressed in Canadian Dollars unless otherwise stated)

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

### Going concern

Judgment is required in determining whether the Company is a going concern (see Note 2(d)).

## 4. CASH AND CASH EQUIVALENTS

	March 31, 2018	December 31, 2017
Cash	\$ 1,964	\$ 2,682
Redeemable guaranteed investment certificates	65,000	78,000
	\$ 66,964	\$ 80,682

The cash and cash equivalents held at March 31, 2018 and December 31, 2017 were on deposit with a national chartered Canadian bank.

## 5. RECEIVABLES

The balance at March 31, 2018 consists of \$386 of Goods and Services Tax ("GST") recoverable from the Government of Canada. The balance at December 31, 2017 consists of \$637 of GST recoverable and a \$5,009 deposit receivable related to the disposal of Red Basin, LLC. This receivable was written down during the period ended March 31, 2018 as the timing and likelihood of collection is unknown.

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of amounts outstanding for trade purchases for operating and financing activities. The usual credit period taken for trade purchases is 30 days.

	March 31, 2018	December 31, 2017
Trade payables and accruals	\$ 14,030	\$ 17,358

## 7. SHARE CAPITAL

### a) Authorized

An unlimited number of common shares without par value.

### b) Issued

During the three months ended March 31, 2018 and the year ended December 31, 2017, there were no share capital transactions.

# Strategic Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three Months Ended March 31, 2018

(Unaudited - Expressed in Canadian Dollars unless otherwise stated)

## 8. EQUITY AND RESERVES

### a) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's condensed interim statement of financial position include Contributed Surplus Warrants, Contributed Surplus Options and Accumulated Deficit.

- *Contributed Surplus Options* is used to recognize the fair value of option instruments granted by the Company.
- *Contributed Surplus Warrants* is used to recognize the fair value of warrant instruments issued by the Company.
- *Accumulated Other Comprehensive Income* is used to recognize the change in equity during a period from transaction and other events and circumstances from non-owner sources.
- *Accumulated Deficit* is used to record the Company's change in deficit from net income or loss and comprehensive income or loss from period to period.

### b) Stock options

The Company uses the Black-Scholes option pricing model to determine the fair value of incentive options granted. This model requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options and warrants.

During the year ended December 31, 2017, the Company received shareholder approval to implement a stock option plan pursuant to which options to purchase common shares could be granted to certain officers, directors, employees and consultants at the higher of market price less an applicable discount from market price, as allowed by TSX-V regulations.

The plan allows for the issuance of up to 10% of the issued and outstanding common shares. Options may have a maximum term of 10 years.

The following table summarizes incentive share option activity:

	Number of Options	Weighted Average Exercise Price	Contributed Surplus - Options
Balance, December 31, 2016, 2017 and March 31, 2018	-	\$ -	\$ 2,343,981

There were no options granted during the three months ended March 31, 2018 and the year ended December 31, 2017.

### c) Warrants

The Company has issued share purchase warrants ("warrant") as part of units issued in private placements for cash in the past. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to the warrants.

# Strategic Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three Months Ended March 31, 2018

(Unaudited - Expressed in Canadian Dollars unless otherwise stated)

## 8. EQUITY AND RESERVES (Continued)

### c) Warrants (continued)

The following table summarizes warrants activity:

	Number of Warrants	Weighted Average Exercise Price	Contributed Surplus - Warrants
Balance, December 31, 2016	200,000	\$ 0.25	\$ 4,864,517
Expired	(200,000)	\$ 0.25	-
Balance, December 31, 2017 and March 31, 2018	-	\$ -	\$ 4,864,517

## 9. RELATED PARTY TRANSACTIONS AND BALANCES

The condensed interim financial statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them.

### a) Key management personnel

There was no compensation paid to key management personnel during the three months ended March 31, 2018 or 2017.

### b) Related party balances

There were no amounts due to related parties as at March 31, 2018 or December 31, 2017.