

JIULIAN RESOURCES INC.

(An Exploration Stage Company)

Condensed Interim Financial Statements

(UNAUDITED – Prepared by Management)

Three months ended May 31, 2017

(Expressed in Canadian Dollars)

Condensed Interim Statements of Financial Position

Condensed Interim Statements of Loss and Comprehensive Loss

Condensed Interim Statements of Cash Flows

Condensed Interim Statements of Changes in Shareholders' Equity

Notes to the Condensed Interim Financial Statements

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, 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 condensed interim financial statements for the three months ended May 31, 2017 and 2016 have been prepared by the management in accordance with International Financial Reporting Standards and approved by the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's independent auditors.

Jiulian Resources Inc.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	May 31, 2017	February 28, 2017
	\$	\$
ASSETS		
Cash	63,724	22,052
Short-term investments (Note 4, 15)	354,067	403,992
Prepayments	1,250	-
Sales tax receivables (Note 5)	1,021	607
	420,062	426,651
Office equipment (Note 6)	2,177	2,378
	422,239	429,029
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	17,738	15,594
Shareholders' Equity		
Share capital (Note 10)	2,202,200	2,202,200
Contributed surplus (Note 11)	153,151	153,151
Deficit	(1,950,850)	(1,941,916)
	404,501	413,435
	422,239	429,029

Corporate information (Note 1), Going concern (Note 1a)

APPROVED BY THE BOARD ON JULY 31, 2017:

"X. Charlie Cheng"
X. Charlie Cheng, Director

"Nanmao Su"
Nanmao Su, Director

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

Jiulian Resources Inc.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended May 31,	
	2017	2016
Expenses		
Professional fees	\$-	\$3,500
Amortization (Note6)	201	203
Bank charges and interest	18	38
Consulting fees (Note 9)	3,000	3,500
Filing and transfer agent fees	751	945
Exploration costs	375	516
Office and administration	3,120	96
Rent	1,500	1,500
Travel and meals	641	1,304
	(\$9,606)	(\$11,602)
Other Income		
Interest income	\$672	\$669
Net loss and comprehensive loss for the period	(\$8,934)	(\$10,933)
Basic and diluted loss per share	(\$0.00)	(\$0.00)
Weighted average number of common shares outstanding		
- basic and diluted	11,595,000	11,595,000

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

Jiulian Resources Inc.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended May 31,	
	2017	2016
	\$	\$
Cash From Used in Operating Activities:		
Net loss for the period	(8,934)	(10,933)
Adjustment for items not involving cash:		
Accrued interest income	(672)	(669)
Amortization	201	203
Changes in non-cash working capital:		
Decrease (Increase) in sales tax receivables	(414)	(493)
Increase (decrease) in prepayments	(1,250)	-
Increase in accounts payable and accrued liabilities	2,144	1,050
Net cash flows used in operating activities	(8,925)	(10,842)
Cash From (Used in) Investing Activities		
Redemption of term deposit	50,597	50,372
Increase (decrease) in cash and cash equivalents	41,672	39,530
Cash and Cash Equivalents, Beginning of Period	22,052	3,475
Cash and cash equivalents, end of period	63,724	43,005
Supplemental disclosure with respect to cash flows:		
Interest paid in cash	-	-
Income tax paid in cash	-	-

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

Jiulian Resources Inc.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
		\$	\$	\$	\$
Balance, February 29, 2016	11,595,000	2,202,200	153,151	(1,884,463)	470,888
Net loss for the period	-	-	-	(10,933)	(10,933)
Balance, May 31, 2016	11,595,000	2,202,200	153,151	(1,895,396)	459,955
Balance, February 28, 2017	11,595,000	2,202,200	153,151	(1,941,916)	413,435
Net loss for the period	-	-	-	(8,934)	(8,934)
Balance, May 31, 2017	11,595,000	2,202,200	153,151	(1,950,850)	404,501

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

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended May 31, 2017 and 2016
(Unaudited - in Canadian dollars)

1. Corporate Information

Jiulian Resources Inc. (the “Company”) was incorporated on October 17, 2006 under the laws of British Columbia. The Company was a capital pool Company as defined in the TSX Venture Exchange (the “Exchange”) Policy 2.4. On July 28, 2009, the Exchange accepted for filing the Company’s Qualifying Transaction, as a result, the Company resumed trading as a Tier 2 mining company under the symbol “JLR”, on August 26, 2009. On February 12, 2016, the Company was transferred to NEX of the Exchange due to not being able to meet Tier 2 Continued Listing Requirements. The trading symbol of the Company was changed to “JLR.H”. The Company continues to pursue opportunities in the acquisition, exploration and development of mineral resource properties.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments, including conducting minimum exploration and evaluation programs and paying for general and administrative expenses (Note 1a).

The Company’s exploration activities are subject to various federal, provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive.

The head office, principal address and registered and records office is located at 890 - 580 Hornby Street, Vancouver, British Columbia V6C 3B6.

a) Going Concern

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at May 31, 2017, the Company had cash of \$63,724 and short-term investments of \$354,067. The Company has sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period.

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(Unaudited - in Canadian dollars)

While the Company has sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period, the Company will require additional funding to be able to meet ongoing requirements for general operations and to advance and retain mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of properties in the future. Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

2. Basis of Preparation

a) Basis of Presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 16, and are prepared in Canadian dollars except where otherwise indicated.

b) Statement of Compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applies in the Company's annual financial statements as at and for the year ended February 29, 2016. The condensed interim financial statements do not include all of the information required for full annual financial statements.

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements For the three months ended May 31, 2017 and 2016 (Unaudited - in Canadian dollars)

c) New and revised standards and interpretations

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended May 31, 2017:

IFRS 9 Financial Instruments

In July 2014, the IASB issued IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instruments: Recognition and Measurement, and some of the requirements of IFRS 7, Financial Instruments: Disclosures. The objective of IFRS 9 is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The IASB has determined the revised effective date for IFRS 9 will be for annual periods beginning on or after January 1, 2018.

IFRS 2 Share-based payment

The IASB issued has published amendments to IFRS 2, Share-based Payment. The new requirements could affect the classification and/or measurement of cash settled share-based payments, classification of share-based payments settled net of tax advantage, and share-based payment from cash-settled to equity settled – and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments apply for annual periods beginning on or after January 1, 2018.

The Company has not early adopted these standards, amendments and interpretations; however, the Company is currently assessing the impact of these standards or amendments on the financial statements of the Company.

3. Significant Accounting Policies

a) Cash

Cash includes cash held at banks.

b) Mineral Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(Unaudited - in Canadian dollars)

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

c) Equipment

Equipment is stated as cost less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Equipment is depreciated, using the declining-balance method over their estimated useful lives. The significant classes of equipment and their declining rates are as follows:

Vehicles	30%
Computer Equipment	45%

One-half of the above rates are applied in the year of the acquisition.

d) Decommissioning, Restoration and Similar Liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, with a corresponding liability. The provision is accreted over time through periodic charges to income. Actual expenditures incurred are charged against the accumulated obligation.

Discount rates using a pre-tax rate that reflects the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements For the three months ended May 31, 2017 and 2016 (Unaudited - in Canadian dollars)

expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Estimated costs for decommissioning costs are adjusted as changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capital costs of the related assets, in which case the capitalized cost is reduced to zero and the difference is recognized in profit or loss. As at May 31, 2017 and February 28, 2017, the Company has decommissioning liabilities of \$Nil.

e) Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash is included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Short-term investments are included in this category.

Available-for sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset. Available-for-sale assets include short term investments in equities of other entities.

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements For the three months ended May 31, 2017 and 2016 (Unaudited - in Canadian dollars)

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

f) Impairment of Financial Assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each reporting date.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

g) Financial Liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements For the three months ended May 31, 2017 and 2016 (Unaudited - in Canadian dollars)

Financial liabilities measure at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Accounts payables are included in this category of financial liabilities.

Derivative designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

h) De-recognition of Financial Assets and Liabilities

Financial assets are derecognized when the contractual rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharge, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

i) Impairment of Non-Financial Assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting date. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which these are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(Unaudited - in Canadian dollars)

there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

j) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

k) Foreign Currencies

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

l) Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(Unaudited - in Canadian dollars)

combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

m) Share-based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock options reserve, over the period that the employees unconditionally become entitled to the awards. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

(n) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average number of common shares outstanding is adjusted for the number of shares that are potentially issuable in connection with stock options and warrants (if dilutive) using the treasury stock method. Under this method, the Company assumes that outstanding dilutive stock options and warrants were exercised and that the proceeds from such exercises (after adjustment of any unvested portion of stock options) were used to acquire common stock at the average market price during the reporting periods.

(o) Critical Accounting Estimates and Judgements

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(Unaudited - in Canadian dollars)

continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions (Note 1a).

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended May 31, 2017 and 2016
(Unaudited - in Canadian dollars)

4. Short-term Investments

As at May 31, 2017, short-term investments consist of Guaranteed Investment Certificates at a chartered Canadian financial institution. Short-term investments include two investments with maturity dates from June 27, 2017 to June 26, 2018, bearing an interest rate of 0.60% per annum.

As at February 28, 2017, short-term investments consist of Guaranteed Investment Certificates at a chartered Canadian financial institution. Short-term investments include two investments with maturity dates from April 20, 2017 to June 27, 2017, bearing an interest rate of 0.60% per annum.

Short-term investments include accrued interest income receivable of \$4,067 as at May 31, 2017 (February 28, 2017 - \$3,992).

5. Amounts Receivable

The Company's amounts receivable arise from Goods and Services Tax ("GST") receivable of \$1,021 (February 28, 2017 - \$607), due from the government taxation authorities.

6. Property, plant and equipment

	Vehicles	Computers	Total
Cost	\$	\$	\$
Balance at February 28, 2017	25,143	4,502	29,645
Additions	-	-	-
Balance at May 31, 2017	25,143	4,502	29,645
Amortization			
Balance at February 28, 2017	23,371	3,896	27,267
Amortization	133	68	201
Balance at May 31, 2017	23,504	3,964	27,468
Net Book Value			
At February 28, 2017	1,772	606	2,378
At May 31, 2017	1,639	538	2,177

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended May 31, 2017 and 2016
(Unaudited - in Canadian dollars)

	Vehicle	Computers	Total
Cost	\$	\$	\$
Balance at February 29, 2016	25,143	3,751	28,894
Additions	-	751	751
Balance at February 28, 2017	25,143	4,502	29,645
Amortization			
Balance at February 29, 2016	22,611	3,638	26,249
Amortization	760	258	1,018
Balance at February 28, 2017	23,371	3,896	27,267
Net Book Value			
At February 28, 2017	1,772	606	2,378

7. Exploration and Evaluation Properties

The Company's exploration and evaluation properties expenditures for the period ended May 31, 2017 were as follows:

	Big Kidd	Little Fort	Rugged Mountain	Total
Acquisition Costs	\$	\$	\$	\$
Balance at February 28, 2015	-	-	-	-
Additions	-	-	5,336	5,336
Impairment	-	-	(5,336)	(5,336)
Balance at February 29, 2016	-	-	-	-
Balance at February 28, 2017	-	-	-	-
Balance at May 31, 2017	-	-	-	-
Exploration and Evaluation Costs				
Balance at February 28, 2015	-	-	-	-
Additions				
Storage fees	1,375	-	-	1,375
Project Administration (Note 9)	250	1,209	6,534	7,993
Impairment	(1,625)	(1,209)	(6,534)	(9,368)
Balance at February 29, 2016	-	-	-	-
Additions				
Storage fees	1,500	-	-	1,500
Impairment	(1,500)	-	-	(1,500)
Balance at February 28, 2017	-	-	-	-
Balance at May 31, 2017	-	-	-	-

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements For the three months ended May 31, 2017 and 2016 (Unaudited - in Canadian dollars)

Big Kidd and Little Fort Property

On January 25, 2011 and subsequently amended on March 30, 2011, the Company entered into a purchase, sale and option agreement to acquire the Big Kidd Property and the Little Fort Property, located in British Columbia, from Gunpoint Exploration Ltd. ("Gunpoint"). For consideration, the Company was required to make a cash payment of \$100,000 (paid) and issue 1,875,000 common shares of the Company (issued). Upon commencement of commercial production, the Company is to pay a net smelter royalty of 2.5% of net smelter returns to Gunpoint. The Company has the right to purchase a 60% interest in the NSR royalty for \$500,000 and the remaining 40% NSR royalty for \$1,000,000 at any time within three years following the commencement of commercial production.

During the year ended February 28, 2017, the Company capitalized all exploration related expenditures of \$1,500 (2016 - \$1,625) and \$Nil (2016 - \$1,209) with respect to the Big Kidd and Little Fort properties, respectively. Due to prevailing junior resource market conditions and the uncertainty associated with the Company's ability to exploit any future economic benefits from the properties, the Company recorded an impairment of \$1,500 (2016 - \$1,625) and \$Nil (2016 - \$1,209) with respect to the Big Kidd and Little Fort properties, respectively.

Rugged Mountain

During the year ended February 28, 2015, the Company conducted preliminary study of the Rugged Mountain area and incurred expenditures of \$10,649 which were expensed in the statement of loss and comprehensive loss.

During the year ended February 29, 2016, the Company capitalized all exploration related expenditures of \$11,870. Due to prevailing junior resource market conditions and the uncertainty associated with the Company's ability to exploit any future economic benefits from the property, the Company recorded an impairment of \$11,870 with respect to the Rugged Mountain property.

During the year ended February 28, 2017, the claims for the Rugged Mountain property expired and were not renewed.

8. Accounts Payable and Accrued Liabilities

The Company's trade payables and accrued liabilities consist of the following amounts:

For the year ended	May 31, 2017	February 28, 2017
	\$	\$
Accounts payable	3,617	1,474
Accrued liabilities	14,121	14,120
Total accounts payable and accrued liabilities	17,738	15,594

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements For the three months ended May 31, 2017 and 2016 (Unaudited - in Canadian dollars)

Included in accounts payable and accrued liabilities at May 31, 2017 is \$1,050 due to related parties (February 28, 2017 - \$1,050) (Note 9).

9. Related Party Transactions

The Company incurred the following transactions with officers and directors and companies that are controlled or significantly influenced by officers and directors of the Company:

For the three months ended	May 31, 2017	May 31, 2017
	\$	\$
Consulting fees paid to CEO	3,000	3,500
Total related party transactions	3,000	3,500

The remuneration of directors and other members of key management were as follows:

For the three months ended	May 31, 2017	May 31, 2017
	\$	\$
Consulting fees	3,000	3,500
Total key management personnel compensation	33,195	28,500

Included in accounts payables and accrued liabilities at May 31, 2017 is \$1,050 due to related parties (February 28, 2017 - \$1,050) (Note 8).

10. Share Capital

a) Common Shares

The Company is authorized to issue an unlimited number of shares, issuable in series, with no par value. As at May 31, 2017 and February 28, 2017, the Company had 11,595,000 common shares outstanding and no preferred shares outstanding.

During the period ended May 31, 2017, the Company did not issue any shares.

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at the meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended May 31, 2017 and 2016
(Unaudited - in Canadian dollars)

11. Stock Options

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors and officers of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company, exercisable for a period of up to five years, from the date of grant. There are no vesting requirements under the stock option plan. The Board may, however, add such provisions in its discretion on a grant by grant basis.

The following is a summary of changes in options from for the period ended May 31, 2017 and February 28, 2017:

	Number of options	Weighted average exercise price
Outstanding, February 28, 2015	770,000	\$0.10
Outstanding, February 29, 2016	770,000	\$0.10
Cancelled	(100,000)	\$0.10
Outstanding, February 28, 2017	670,000	\$0.10
Outstanding, May 31, 2017	670,000	\$0.10

During the period ended May 31, 2017, no stock options were granted.

The following table summarizes information regarding stock options outstanding and exercisable as at May 31, 2017:

	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price
Options outstanding and exercisable	670,000	1.15	\$0.10

12. Loss Per Share

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended May 31,	
	2017	2016
Net loss for the period	\$(6,294)	\$(10,933)
Weighted average number of shares – basic and diluted	11,595,000	11,595,000
Loss per share, basic and diluted	\$(0.00)	\$(0.00)

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(Unaudited - in Canadian dollars)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, in the weighted average number of common shares outstanding during the year, if dilutive. All of the stock options were anti-dilutive for the three months ended May 31, 2017 and 2016.

13. Segment Reporting

The Company conducts its business as a single operating segment being the mining business in Canada. All assets are situated in Canada.

14. Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its mineral properties (Note 1a).

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. 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.

The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended May 31, 2017 and 2016
(Unaudited - in Canadian dollars)

15. Financial Instruments

a) Categories of financial instruments

	As at May 31, 2017	As at February 28, 2017
	\$	\$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash	63,724	22,052
Loans and receivables, at amortized cost		
Short-term investments	354,067	403,992
Total financial assets	417,791	426,044
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Accounts payable	3,617	-
Total financial liabilities	3,617	-

b) Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly. As at May 31, 2017 and February 28, 2017, the Company does not have any Level 2 financial instruments.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at May 31, 2017 and February 28, 2017, the Company does not have any Level 3 financial instruments.

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended May 31, 2017 and 2016
(Unaudited - in Canadian dollars)

As at May 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Cash	63,724	-	-	63,724
Total financial assets at fair value	63,724	-	-	63,724
As at February 28, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Cash	22,052	-	-	22,052
Total financial assets at fair value	22,052	-	-	22,052

There were no transfers between Level 1, 2 and 3 in the three months ended May 31, 2017.

c) Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and short-term investments. The Company deposits cash and has short-term investments with high credit quality financial institutions as determined by rating agencies. The Company does not believe it is subject to any significant credit with major financial institutions. As at May 31, 2017, the total amount of financial assets subject to credit risk is \$417,791 (February 28, 2017 - \$426,044).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1a). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future (Note 1a). As at May 31, 2017, the Company had working capital of \$402,324 (February 28, 2017 - \$411,057).

Jiulian Resources Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended May 31, 2017 and 2016
(Unaudited - in Canadian dollars)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the interest on the short-term investments is limited.

Currency risk

For the three months ended May 31, 2017, the Company's operations were mainly in Canada. The Company considers its currency risk to be insignificant.

Commodity price risk

The Company is not exposed to commodity price risk as it is still in exploration stage.

16. Commitments and Contingencies

- a) The Company has established no reserves for insurance-related contingencies. Rather, the Company assesses each contingency, if any, as it arises to determine estimates of the degree of probability and range of possible settlement. Those contingencies which are deemed to be probable and where the amount of such settlement is reasonably estimable, are then accrued in the Company's financial statements. If only a range of loss can be determined, the best estimate within that range is accrued.

The assessment of contingencies is a highly subjective process that requires judgments regarding future events. Insurance contingencies are reviewed at least annually to determine the adequacy of the accruals and whether related financial statement disclosure is required. The ultimate settlement of insurance contingencies may differ materially from amounts accrued in the financial statements.

- b) The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the government. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

17. Approval of the Financial Statements

The unaudited interim financial statements of the Company for the quarter ended May 31, 2017 were approved and authorized for issue by the Board of Directors on July 31, 2017.