Argus Metals Corp.

Condensed Interim Financial Statements

First Quarter ended July 31, 2017

Expressed in Canadian Dollars

Address:	Suite 501 – 525 Seymour Street Vancouver, BC V6B 3H7
Contact:	Michael Collins President and Chief Executive Officer
Telephone number:	(604) 764-7094
Email address:	info@argusmetalscorp.com
Website:	www.argusmetalscorp.com

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Argus Metals Corp. for the three months ended July 31, 2017 have been prepared by the management of the Company and approved by the Company's audit committee.

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

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

Contents

Argus Metals Corp.
Condensed Interim Statements of Financial Position

	Notes	July 31, 2017	April 30, 2017
		$	$
ASSETS			
Current assets			
Cash		158,307	35,220
Receivables	3	51,824	1,028
Total current assets		210,131	36,248
Non-current assets			
Exploration and evaluation assets	4	58,361	50,000
Total non-current assets		58,361	50,000
Total assets		268,492	86,248
LIABILITIES			
Current liabilities			
Payables and accruals		23,074	21,116
Advances from related party	5	5,000	5,000
Flow-through share premium liability		7,348	1,288
Loans payable	6	63,722	161,754
Total current liabilities		99,144	189,158
Non-current liabilities			
Convertible debenture	7	54,271	52,356
Total liabilities		153,415	241,514
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	31,255,369	30,973,775
Reserves	8	3,270,264	3,214,264
Equity component of convertible debenture		7,846	8,560
Deficit		(34,418,402)	(34,351,865)
Total shareholders' equity (deficiency)		115,077	(155,266)
Total liabilities and shareholders' equity (deficiency)		268,492	86,248

Nature of operations (note 1)
Commmitment (note 14)

These condensed interim financial statements are signed on the Company's behalf by:

"Michael Collins" Director	*"Fred Tejada"* Director
Michael Collins	Fred Tejada

See accompanying notes to the condensed interim financial statements.

Argus Metals Corp.
Condensed Interim Statements of Comprehensive Income (Loss)

For the three months ended July 31,	Notes	2017	2016
		$	$
General and administrative expenses			
Investor relations		391	201
Interest	6, 7	3,169	2,923
Personnel		1,800	-
Property investigation and due diligence		500	-
Professional fees		956	561
Office		155	402
Rent		2,100	-
Regulatory and shareholder services		2,466	854
Share-based compensation	9	55,000	-
		66,537	4,941
Loss for the period		(66,537)	(4,941)
Loss per share - basic and diluted	10	(0.01)	(0.00)
Weighted average common shares outstanding - basic and diluted	10	9,859,479	7,932,067

See accompanying notes to the condensed interim financial statements.

Argus Metals Corp.
Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

	Share Capital $	Equity Component of Convertible Debenture $	Share Subscription Received $	Reserves $	Deficit $	Shareholders' Equity (Deficiency) $
Balance - April 30, 2016	30,856,665	-	-	3,214,264	(34,265,457)	(194,528)
Share subscription received	-	-	500	-	-	500
Loss for the period	-	-	-	-	(4,941)	(4,941)
Balance - July 31, 2016	30,856,665	-	500	3,214,264	(34,270,398)	(198,969)

	Share Capital $	Equity Component of Convertible Debenture $	Share Subscription Received $	Reserves $	Deficit $	Shareholders' Equity (Deficiency) $
Balance - April 30, 2017	30,973,775	8,560	-	3,214,264	(34,351,865)	(155,266)
Private placement, net of share issue costs	184,154	-	-	-	-	184,154
Fair value of agent's warrants	3,500	-	-	1,000	-	4,500
Liability to renounce tax benefit to flow-through share investors	(6,060)	-	-	-	-	(6,060)
Share-based compensation	-	-	-	55,000	-	55,000
Accretion	-	(714)	-	-	-	(714)
Shares issued for debt settlement	100,000	-	-	-	-	100,000
Loss for the period	-	-	-	-	(66,537)	(66,537)
Balance - July 31, 2017	31,255,369	7,846	-	3,270,264	(34,418,402)	115,077

See accompanying notes to the condensed interim financial statements.

Argus Metals Corp.
Condensed Interim Statements of Cash Flows

For the three months ended July 31,		2017	2016
		$	$
Cash provided by (used in):			
Operating Activities:			
Income (loss) for the period		(66,537)	(4,941)
Adjustments for:			
Interest expense		3,169	2,923
Share-based compensation	9	55,000	-
Changes in non-cash working capital items			
Receivables		79	(160)
Prepaid expenses		-	-
Payables and accruals		1,958	1,689
		(6,331)	(489)
Financing Activities:			
Shares issued for cash		149,283	-
Share subscriptions received		-	500
Share issue costs		(11,504)	-
		137,779	500
Investing Activities:			
Exploration and evaluation assets		(8,361)	-
Interest received		-	-
		(8,361)	-
Net increase in cash		123,087	11
Cash, beginning of period		35,220	69
Cash, end of period		158,307	80

Supplemental disclosure with respect to cash flows (note 12)

See accompanying notes to the condensed interim financial statements.

1. Nature of operations

Argus Metals Corp. (the "Company") acquires, explores and develops interests in mineral projects. The Company's shares are traded on the TSX Venture Exchange ("TSXV" or the "Exchange"). The Company is substantially inactive although it reviews potential transactions from time to time to assess their viability. The ability of the Company to develop its business is constrained by very limited cash and weak equity markets.

The Company is incorporated under the laws of British Columbia. The head office and principal address of the Company is Suite 501 – 525 Seymour Street, Vancouver, British Columbia, V6B 3H7.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

2. Basis of preparation

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

Statement of Compliance

These condensed interim financial statements of the Company for the three months ended July 31, 2017 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), on a basis consistent with the significant accounting policies disclosed in note 3 of the most recent annual financial statements as at and for the year ended April 30, 2017 as filed on SEDAR at www.sedar.com. The condensed interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the audit committee on September 27, 2017.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

The financial information is presented in Canadian dollars, which is the functional currency of the Company.

Going concern of operations

The Company has not generated revenue from operations. The Company incurred a loss of $66,537 during the three months ended July 31, 2017 and, as of that date the Company's deficit was $34,418,402. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of $158,307 at July 31, 2017 (April 30, 2017 – $35,220).

2. Basis of preparation (continued)

Critical accounting estimates and judgements

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. 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, or 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 adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are the same as those that applied to the Company's April 30, 2017 annual financial statements.

3. New accounting pronouncements

IASB or the IFRS Interpretations Committee have issued certain pronouncements that are mandatory for accounting years beginning on or after May 1, 2017. None of these are expected to be relevant to the Company's financial statements, except for the following:

IFRS 9 Financial Instruments

IFRS 9 amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS 9 introduces an expected loss model of impairment and retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. IFRS 9 will be effective for the fiscal year beginning May 1, 2018. The Company is evaluating the impact of the new standard.

IFRS 16 - Leases

IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring that lessees recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and will be applicable to the Company's fiscal year beginning May 1, 2019, although early adoption is permitted. The Company has not yet assessed the impact of this standard or determined whether it will early adopt.

3. Receivables

The Company's receivables consist of the following:

	July 31, 2017	April 30, 2016
	$	$
Subscriptions receivable	50,875	-
GST/HST - value added tax	949	1,028
Total	51,824	1,028

4. Exploration and evaluation assets

	April 30, 2017	Charges	July 31, 2017
	$	$	$
Ike Block	50,000	-	50,000
Split Dome	-	8,361	8,361
	50,000	8,361	58,361

Ike Block

The Company staked certain claims in the Selwyn Basin in the Yukon Territory of Canada.

The Company completed surveying, geological, and geochemical expenses on the Ike block as follows:

	Ike Block
	$
Balance, April 30, 2015 and 2016	-
Contractors	20,742
Field supplies	2,163
Filing fees	1,958
Geochemistry	1,563
Helicopter	10,804
Labour	7,741
Travel and accomodation	5,029
Balance, April 30, 2017 and July 31, 2017	50,000

Split Dome

In June 2017, the Company staked claims totalling approximately 4700 hectares located 55 km north-east of Hazelton, BC on the west side of the Babine Valley. The Company intends to run a project wide mapping and sampling program in September 2017 to be followed up with geophysics on the success of the initial program. During the first three months ended July 31, 2017 the Company incurred $8,361 in staking expense.

5. Advances from related party

At July 31, 2017 the outstanding balance of $5,000 represents advances from the Company's president and CEO to cover the Company's operating expenses. These amounts do not bear interest and have no fixed terms of repayment. In June 2016, $67,822 of advances from related parties was converted to long-term debt. See note 6.

6. Loans payable

a) In June 2016, the Company entered into agreements to convert $150,677 of current liabilities to debt. The debt bears annual interest of 12% and must be repaid on or before the maturity date of December 2, 2017. Of the amount converted, $123,025 was due to the Company's president and CEO and $2,000 was due to the Company's CFO. During the year ended April 30, 2017, the Company repaid $5,188 of debt to a non-related party. In May 2017, the Company settled $100,000 of debt with the Company's president and CEO through the issuance of 1,000,000 common shares.

b) In August 2016, the Company entered into an unsecured loan with a related party for $22,000 bearing annual interest of 12% and maturing on August 4, 2018. The Company repaid the loan in March 2017.

	$
Loans payable at April 30, 2016	-
Short-term debt	
Conversion of accounts payable to long-term debt	150,677
Repayment	(5,188)
Interest accrued	16,265
	161,754
Long-term debt	
Cash received	22,000
Interest accrued	1,670
Repayment	(23,670)
	-
Loans payable at April 30, 2017	161,754
Issuance of shares for repayment	(100,000)
Interest accrued	1,968
Loan payable at July 31, 2017	63,722

7. Convertible debenture

In March 2017, the Company borrowed $60,000 under a secured convertible debenture issued to a company controlled by a director of the Company. The debenture is due in March 2020 and bears interest at 8% calculated and payable semi-annually. The debenture is convertible into common shares at $0.15 per share, at any time at the election of the holder.

7. Convertible debenture (continued)

At the date of issue $51,440 was attributed to the liability component of the convertible debenture and $8,560 to the equity component based on an effective interest rate of 8%.

	Liability Component	Equity Component	Total Liability and Equity Component
	$	$	$
Balance at April 30, 2016	-	-	
Convertible debenture issuance	51,440	8,560	60,000
Accretion expense	342	-	342
Interest accrued	574	-	574
Balance at April 30, 2017	52,356	8,560	60,916
Accretion expense	714	(714)	-
Interest accrued	1,201	-	1,201
Balance at July 31, 2017	54,271	7,846	62,117

The accrued interest and accretion are included in interest expense on the statement of comprehensive loss.

8. Share capital and reserves

Authorized capital

Unlimited number of common shares without par value.

Issued capital

11,977,548 common shares (April 30, 2017 – 9,001,567).

Common shares

Fiscal 2018

In May 2017, the Company settled $100,000 of debt with the Company's president and CEO through the issuance of 1,000,000 common shares.

In July 2017, the Company closed a private placement and issued 1,638,000 units at a price of $0.10 per unit and 302,981 flow-through shares at a price of $0.12 per flow-through share for gross proceeds of $200,158. Each unit consists of one common share and one-half of one common share purchase warrant. The Company recognized a flow-through premium of $9,500. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per share until July 2019. In connection with the private placement, the Company paid cash commissions totalling $1,925 and issued 35,000 common shares and 54,250 finder's warrants that are exercisable into common shares at $0.15 per share until July 2019.

8. Share capital and reserves (continued)

Fiscal 2017

In August 2016, the Company closed a private placement, consisting of two tranches, and issued 580,500 units at a price of $0.10 per unit and 333,000 flow-through shares at a price of $0.15 per flow-through share for gross proceeds of $108,000. Each unit consists of one common share and one-half of one common share purchase warrant. The Company recognized a flow-through premium of $13,000. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per share until August 2018.

In January 2017, 156,000 warrants were exercised for gross proceeds of $23,400.

The following is a summary of changes in common share capital from April 30, 2016 to July 31, 2017:

	Number of Shares	Issue Price $	Common Shares $
Balance - April 30, 2016	7,932,067		30,856,665
Private placement of units	580,500	0.10	58,050
Private placement of flow-through shares	333,000	0.15	49,950
Exercise of warrants	156,000	0.15	23,400
Liability to renounce exploration expenditures	-	-	(13,000)
Less share issue costs	-	-	(1,290)
Balance April 30, 2017	9,001,567		30,973,775
Shares for debt	1,000,000	0.10	100,000
Private placement of units	1,638,000	0.10	163,800
Private placement of flow-through shares	302,981	0.12	36,358
Finders' units	35,000	0.10	3,500
Liability to renounce exploration expenditures	-	-	(6,060)
Less share issue costs	-	-	(16,004)
Balance July 31, 2017	11,977,548		31,255,369

Reserves

Reserves recorded in equity comprise the fair value of share-based payments before exercise and unrecognized gains and losses on available-for-sale investments. The following is a summary of changes in reserves from April 30, 2016 to July 31, 2017

	Balance $
Balance - April 30, 2016 and 2017	3,214,264
Share-based compensation	55,000
Fair value of finder's warrants granted	1,000
Balance - July 31, 2017	3,270,264

8. Share capital and reserves (continued)

Warrants

Warrant activity for the respective years are as follows:

	July 31, 2017		April 30, 2017	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Warrants outstanding, beginning of period	134,250	0.15	1,600,000	0.10
Granted	873,250	0.15	290,250	0.15
Exercised	-	-	(156,000)	0.15
Expired	-	-	(1,600,000)	0.10
Warrants outstanding, end of period	1,007,500	0.15	134,250	0.15

Warrants outstanding and exercisable at July 31, 2017:

Number	Price	Expiry Date
134,250	0.15	August 17, 2018
873,250	0.15	July 27, 2019
1,007,500		

The Company used the Black-Scholes option pricing model to estimate the fair value of the 54,250 (2016 – nil) finder's warrants granted at $1,000 (2016 - $nil) using the following weighted average assumptions:

	2017
Risk-free interest rate	1.33%
Dividend yield	0.00%
Expected volatility	79%
Expected life	2 years

9. Share-based compensation

The Company has a stock option plan by which the directors may grant options to purchase common shares to directors, officers, employees and service providers of the Company on terms that the directors may determine within the limitations set forth in the stock option plan. The maximum number of common shares issuable upon the exercise of options granted pursuant to the stock option plan is set at 10% of the total issued common shares. The board of directors may grant options with a life of up to ten years, however options have a maximum term of five years. Vesting terms may be set by the board of directors.

9. Share-based compensation (continued)

Stock options outstanding and exercisable for the respective periods are as follows:

	July 31, 2017		April 30, 2017	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Options outstanding, beginning of period	-	-	41,250	3.02
Granted	890,000	0.10	-	-
Expired	-	-	(41,250)	3.02
Options outstanding, end of period	890,000	0.10	-	-
Exercisable, end of period	890,000	0.10	-	-

In May 2017, the Company granted incentive stock options to directors, officers, employees and consultants of the Company to purchase an aggregate of 890,000 shares at a price of $0.10 per share for a period of three years. Using the Black Scholes method the value of the stock options was calculated as $55,000.

The Company used the Black-Scholes option pricing model to estimate the fair value of the options granted using the following weighted average assumptions:

	2017
Risk-free interest rate	1.01%
Dividend yield	0.00%
Expected volatility	109%
Expected option life	3 years

10. Loss per share

The calculation of the basic and diluted income (loss) per share for the years presented is based on the following data:

For the three months ended July 31,	2017	2016
Loss for the period	($66,537)	($4,941)
Weighted average number of common shares outstanding	9,859,479	7,932,067
Loss per share, basic and fully diluted	($0.01)	($0.00)

Diluted loss per share for the three months ended July 31, 2017 and 2016 is the same as basic loss per share as the impact of the exercise of the outstanding share options and warrants is anti-dilutive.

11. Related party transactions and balances

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel. The following are related party transactions not disclosed elsewhere in the financial statements.

At July 31, 2017, the Company had no employees but had arrangements with contractors to provide administrative, accounting and management services. In the current and prior year, management personnel waived their fees.

During the three months ended July 31, 2017, the Company paid $8,361 (2016 - $nil) to an officer of the Company for capitalized exploration costs.

In May 2017, the Company granted 690,000 stock options to officers and directors of the Company valued at $42,640.

Included in the payables and accruals is $2,017 (April 30, 2017 - $2,017) owed to directors and officers of the Company. Advances from directors and officers of $5,000 (April 30, 2017 - $5,000) represent amounts paid to cover the Company's operating expenses (note 5).

Of the loans payable (note 6), at July 31, 2017, $40,023 (April 30, 2017 - $138,674) is owed to directors and officers of the Company.

12. Supplemental disclosure with respect to cash flows

For the three months ended July 31,	2017	2016
	$	$
Shares issued for settlement of loan payable	100,000	
Shares issued for finder's fees	3,500	-
Fair value of warrants issued as finders' fees	1,000	-
Accretion of of equity portion of convertible debenture	714	-
Liability to renounce exploration expenditures	6,060	-

13. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At July 31, 2017 and 2016 all assets with value were located in Canada.

14. Commitment

During the period, the Company undertook a new flow-through financing and at July 31, 2017 was obliged, under the terms of the financing and related tax law, to expend an additional $5,000 on mineral exploration before December 31, 2017and a further $36,358 before December 31, 2018.