QUADRO RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

Nine Months Ended April 30, 2017

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report.

QUADRO RESOURCES LTD.
INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note		April 30, 2017		July 31, 2016
ASSETS					
Current assets					
Cash		$	5,208	$	3,512
Sales tax recoverable			2,884		1,707
Total assets		$	8,092	$	5,219
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)					
Current liabilities					
Trade and other payables	4	$	35,287	$	30,298
Amounts due to related parties	5		247,094		227,094
Total liabilities			282,381		257,392
Shareholders' deficiency					
Share capital	6		9,607,269		9,607,269
Share-based payments reserve	7		617,579		617,579
Deficit			(10,499,137)		(10,477,021)
Total shareholders' deficiency			(274,289)		(252,173)
Total liabilities and shareholders' deficiency		$	8,092	$	5,219

Basis of presentation and going concern (Note 2)

Event after the reporting period (Note 11)

The financial statements were authorized for issue by the board of directors on June 28, 2017 and were signed on its behalf by:

____________________ Director   ____________________ Director

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

QUADRO RESOURCES LTD.
INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)

	Note	Three Months Ended April 30, 2017	Three Months Ended April 30, 2016	Nine Months Ended April 30, 2017	Nine Months Ended April 30, 2016
EXPENSES					
Accounting and audit		$ 600	$ 800	$ 2,200	$ 3,100
Administrative		299	-	477	1,112
Depreciation		-	319	-	957
Office and miscellaneous		96	354	1,049	2,960
Rent		1,766	1,766	5,326	5,297
Transfer agent and regulatory fees		1,831	704	9,764	3,615
Travel and promotion		1,320	1,385	3,300	3,724
Net and comprehensive loss for the period		(5,912)	(5,328)	(22,116)	(20,765)
Basic and diluted loss per common share	7	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		7,106,162	7,106,162	7,106,162	7,106,162

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

QUADRO RESOURCES LTD.
INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Unaudited – Prepared by Management)

	Note	Number of shares	Share capital	Share-based payments reserve	Deficit	Total shareholders' deficiency
Balance, July 31, 2016		7,106,162	$ 9,607,269	$ 617,579	$ (10,477,021)	$ (252,173)
Comprehensive loss for the period		-	-	-	(22,116)	(22,116)
Balance, April 30, 2017		7,106,162	$ 9,607,269	$ 617,579	$ (10,499,137)	$ (274,289)

	Note	Number of shares	Share capital	Share-based payments reserve	Deficit	Total equity (deficiency)
Balance, July 31, 2015		7,106,162	$ 9,607,269	$ 617,579	$ (10,443,511)	$ (218,663)
Comprehensive loss for the period		-	-	-	(20,765)	(20,765)
Balance, April 30, 2016		7,106,162	$ 9,607,269	$ 617,579	$ (10,464,276)	$ (239,428)

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

QUADRO RESOURCES LTD.
INTERIM STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED APRIL 30
(Unaudited – Prepared by Management)

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		$ (22,116)	$ (20,765)
Items not affecting cash:			
Depreciation		-	957
Changes in non-cash working capital items:			
Sales tax recoverable		(1,177)	(346)
Trade and other payables		4,989	(5,163)
Net cash used in operating activities		(18,304)	(25,317)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from related party		20,000	5,000
Net cash provided by financing activities		20,000	5,000
Change in cash during the period		1,696	(20,317)
Cash, beginning of the period		3,512	22,913
Cash, end of the period		$ 5,208	$ 2,596

There were no significant non-cash transactions during the nine month periods ended April 30, 2017 and 2016.

1. NATURE OF BUSINESS

Quadro Resources Ltd. (the "Company") was incorporated under the laws of British Columbia, Canada and maintains its head office at Suite 1410, 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3. Its registered office is located at Suite 1780, 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6. The Company is primarily engaged in the acquisition, exploration and development of exploration and evaluation assets in Canada. The Company is listed on the NEX board of the TSX Venture Exchange (TSX-V) under the symbol "QRO".

2. BASIS OF PREPARATION

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended July 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Going concern

At present, the Company's operations do not generate cash flow. The Company has incurred losses since inception and had an accumulated deficit of $10,499,137 as at April 30, 2017 and a working capital deficiency of $274,289. The continuing operations of the Company are dependent upon its ability to raise adequate financing, identify economically recoverable reserves and to commence profitable operations in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management, after reviewing the current cash position and having considered the willingness of its directors to provide funds in the short term, adopts the going concern basis in preparing its financial statements.

These financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

2. BASIS OF PREPARATION (cont'd…)

Significant estimates and assumptions

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate; therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Significant judgments

The preparation of these financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

i) The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
ii) The classification of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's annual financial statements for the year ended July 31, 2016 were consistently applied to all the periods presented unless otherwise noted below.

Future changes in accounting standards

There were no new standards effective August 1, 2016 that had an impact on the Company's financial statements. A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2016, or later periods. The Company has not applied these new standards in preparing these financial statements. The following pronouncements are considered by the Company to be the most significant of several pronouncements that may affect the financial statements in future periods.

- New standard IFRS 9 *Financial Instruments* ("IFRS 9") has been issued by IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Future changes in accounting standards (cont'd…)

- New standard IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") has been issued by IASB to replace IAS 18 *Revenue* and IAS 11 *Construction Contracts*. This new standard sets out the requirements for recognizing and disclosing revenues that apply to all contracts with customers. The effective date of IFRS 15 is for annual periods beginning on or after January 1, 2018.

- New standard IFRS 16 *Leases* ("IFRS 16") has been issued by IASB to replace IAS 17 Leases. This new standard sets out the requirements for recognizing and disclosing leases. The objective is to ensure that lessees and lessors provide relevant information that faithfully represents the transactions. The effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019.

The Company is currently assessing the impact that these new standards will have on its financial statements and whether to early adopt any of the new standards.

4. TRADE AND OTHER PAYABLES

		April 30, 2017		July 31, 2016
Trade payables	$	29,823	$	20,691
Accrued expenses		5,464		9,607
	$	35,287	$	30,298

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

5. RELATED PARTY TRANSACTIONS

Included in amounts due to related parties are $211,844 (July 31, 2016 - $211,844) related to services rendered to the Company by companies controlled by its directors and $35,250 (July 31, 2016 - $15,250) in advances from the President of the Company. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

During the nine month periods ended April 30, 2017, the Company received $20,000 in advances from the President of the Company. The advance is unsecured, non-interest bearing, and has no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and officers of the Company. There were no short-term employee benefits and share-based payments paid or payable to key management personnel during the nine month periods ended April 30, 2017 and 2016.

The Company did not enter into any related party transactions during the nine month periods ended April 30, 2017 and 2016.

6. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At July 31, 2016 and April 30, 2017, the Company had 7,106,162 common shares issued and outstanding.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine months ended April 30, 2017 was based on the loss attributable to common shareholders of $22,116 (2016 - $20,765) and a weighted average number of common shares outstanding of 7,106,162 (2016 - 7,106,162).

7. SHARE-BASED PAYMENTS

Stock option plan

The Company has adopted an incentive rolling stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to a maximum of 1,421,233 common shares or 20% of the total number of issued and outstanding shares of the Company. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors. The exercise price of options granted under the Plan shall not be less than the closing price of the Company's shares on the trading day immediately preceding the date of grant, less the discount permitted under the Exchange's policies.

The Company had no stock option or warrant transactions during the year ended July 31, 2016 and the nine months ended April 30, 2017.

The Company had no stock options or warrants outstanding at July 31, 2016 and April 30, 2017.

8. FINANCIAL INSTRUMENTS AND RISK

The Company classified its financial instruments as follows: cash is classified as fair value through profit or loss, sales tax recoverable as loans and receivables, trade and other payables and amounts due to related parties as other financial liabilities and are measured at amortized cost. Information on certain types of financial instruments is included elsewhere in these financial statements as follows: trade and other payables (Note 4); and amounts due to related parties (Note 5).

The carrying amount of cash, trade and other payables, and amounts due to related parties carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks 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 in a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with its cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2017, the Company had a cash balance of $5,208 to settle trade and other payables of $35,287. The Company's trade and other payables have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at April 30, 2017, the Company also had amounts due to related parties of $247,094 owing to companies controlled by directors and officers of the Company with no specific terms of repayment.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term maturity.

9. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows. There have been no changes in these levels and no changes in classifications during the nine months ended April 30, 2017.

	Level 1	Level 2	Level 3	Total
April 30, 2017				
Cash	$ 5,208	$ -	$ -	$ 5,208
July 31, 2016				
Cash	$ 3,512	$ -	$ -	$ 3,512

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to ensure adequate working capital is available to fund both the business development plans and the working capital requirements of each annual operating cycle. In the management of capital, the Company includes shareholders' equity (deficiency) in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management.

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

11. EVENT AFTER THE REPORTING PERIOD

Subsequent to April 30, 2017, the Company entered into an agreement (the "Option Agreement") with Metals Creek Resources Corp. (TSXV: MEK) ("Metals Creek") and Benton Resources Inc. (TSXV: BEX) ("Benton") whereby the Company will be provided with an option to acquire a 100% interest in Metals Creek's and Benton's Staghorn property, located in Newfoundland, and all rights to their newly optioned Rose Gold property (the Rose Gold property is contiguous with the northern border of the Staghorn property, and is further described in Metals Creek's press release of April 12, 2017) (collectively the "Option").

Under the terms of the Option Agreement, the Company must complete a 2 to 1 share consolidation, settle certain outstanding debts and payables, complete no less than a $1 million financing, and issue 4,000,000 common shares (post-consolidation) to each of Metals Creek and Benton. The Company must also assume all of Metals Creek's and Benton's obligations under the Rose Gold property option, for which the optionor has agreed to accept common shares of Quadro in lieu of the 225,000 common shares of Metals Creek and 225,000 common shares of Benton (450,000 shares combined) originally negotiated. The Option Agreement will be subject to a royalty to be granted in favor of Metals Creek and Benton (the "Metals Creek/Benton Royalty"), as well as existing royalties held by Ed Northcott and Gilbert Lushman (the "Northcott/Lushman Royalty"), and by Shawn Rose (the "Rose Royalty"), all as outlined below.

- The Metals Creek/Benton Royalty represents a 3 kilometer area of interest that is subject to a 3% NSR in favour of Metals Creek/Benton, 2% of which can be purchased at any time for $2 million;
- The Northcott/Lushman Royalty represents a 3km area of interest that is subject to: (i) a 2% NSR in favour of Ed Northcott and Gilbert Lushman, 1% of which can be purchased at any time for $1 million; and (ii) a 1% NSR in favour of Metals Creek/Benton; and
- The Rose Royalty the together with a 1km area of interest is subject to: (i) a 2% NSR in favour of Shawn Rose, 1% of which can be purchased at any time for $1 million; and (ii) a 1% NSR in favour of Metals Creek/Benton.

Pursuant to the terms of original option agreement on the Staghorn property, Benton was in process of earning an initial 60% interest in the Staghorn by paying Metals Creek $50,000 ($30,000 paid), issuing 500,000 shares of Benton (350,000 issued) and completing $500,000 in work expenditures (fully expended) over a 3-year period. Benton and Metals Creek have agreed to dissolve this agreement in favour of completing the Quadro Option on a 50%-50% basis.

The Option is subject to the Company completing a 2 to 1 share consolidation (the "Consolidation"), settling approximately $250,000 of debt by the issuance of shares for debt (the "Debt Settlement") at $0.10 per share (post Consolidation), and completing a financing to raise $1 million (the "Financing"). The Financing will consist of: (i) up to $250,000 of non-flow through units at a price of $0.10 per unit (post Consolidation), each unit consisting of one common share and one warrant exercisable at $0.15 for a term of eighteen months subject acceleration if the shares of Quadro trade at $0.45 or greater for 10 consecutive trading days; and (ii) up to $750,000 of flow through shares at $0.10 per share (post Consolidation).

The Company must have a minimum of $1 million cash on closing, net of all liabilities other than up to $55,000 of payables to be settled in cash, as a condition precedent to the grant of the Option and must also settle the remainder of its debt pursuant to the Debt Settlement.

Closing of the proposed transactions is subject to the TSXV acceptance of a filing required to be made in respect of the Option, the Consolidation, the Debt Settlement and all other necessary regulatory approvals and acceptances, as well as the other conditions precedent.