



Unaudited Condensed Interim Financial Statements of

**JULIAN RESOURCES INC.**

(An Exploration Stage Company)

**For the Three and Six Months Ended August 31, 2019 and 2018**



JULIAN RESOURCES INC.  
(An Exploration Stage Company)  
(Expressed in Canadian Dollars)  
August 31, 2019 and 2018

**INDEX**

**Page**

Notice to Readers	1
Financial Statements	
• Condensed Interim Statements of Financial Position (un-audited)	2
• Condensed Interim Statements of Loss and Comprehensive Loss (un-audited)	3
• Condensed Interim Statements of Changes in Shareholders' Equity (un-audited)	4
• Condensed Interim Statements of Cash Flows (un-audited)	5
• Condensed Interim Notes to the Financial Statements (un-audited)	6-14

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) the accompanying unaudited condensed interim financial statements of the Company for the three and six months ended August 31, 2019 have been prepared by and are the responsibility of management in accordance with International Financial Reporting Standards applicable to unaudited condensed interim financial reporting.

The Company's independent auditor has not audited or performed a review of these condensed interim financial statements, in accordance with standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

For further information please contact:

Charlie Cheng, CEO or

Terese Gieselman, CFO

(250) 762-5777

**JIULIAN RESOURCES INC.***(An Exploration Stage Company)*

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (un-audited)

As at August 31, 2019 and February 28, 2019

(Expressed in Canadian Dollars)

	Note	August 31 2019	February 28 2019
<b>ASSETS</b>			
Current			
Cash and cash equivalents	5	\$ 78,695	\$ 1,247,504
Prepays		6,967	41,120
Taxes recoverable		67,208	22,871
Total current assets		152,870	1,311,495
Non current			
Equipment	6	2,767	3,485
Reclamation bond	8	7,500	7,500
Exploration and evaluation assets	7	1,303,295	561,971
<b>Total Assets</b>		\$ 1,466,431	\$ 1,884,451
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current			
Trade and other payables	9,13,16	152,154	521,517
<b>Shareholders' Equity</b>			
Share Capital	10	3,309,675	3,309,957
Contributed surplus	10,11	350,758	350,758
Deficit		(2,346,156)	(2,297,781)
Total Shareholders' Equity		1,314,277	1,362,934
<b>Total Liabilities and Shareholders' Equity</b>		\$ 1,466,431	\$ 1,884,451

Signed on behalf of the Board of Directors by:

\_\_\_\_\_  
*"Charlie Cheng"* Director  
 Charlie Cheng

\_\_\_\_\_  
*"Oliver Friesen"* Director  
 Oliver Friesen

**JIULIAN RESOURCES INC.***(An Exploration Stage Company)*

## CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (un-audited)

For the three and six months ended August 31

*(Expressed in Canadian Dollars)*

	Note	Three Months Ended August 31		Six Months Ended August 31	
		2019	2018	2019	2018
<b>Expenses</b>					
Administrative and general	12,13	\$ 23,429	\$ 50,877	\$ 57,077	\$ 67,779
Depreciation	6	359	131	718	261
Pre-exploration expenditures		-	375	-	750
Total expenses		<b>(23,788)</b>	(51,383)	<b>(57,795)</b>	(68,790)
<b>Other income and expenses</b>					
Interest income	5	1,379	567	9,419	1,268
<b>Net and comprehensive loss for the period</b>		<b>(22,409)</b>	(50,816)	<b>(48,375)</b>	(67,522)
<b>Loss per share for the period - basic and diluted</b>	14	\$ <b>(0.00)</b>	\$ (0.00)	\$ <b>(0.00)</b>	\$ (0.00)

**JULIAN RESOURCES INC.**

(An Exploration Stage Company)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (un-audited)**

For the six months ended August 31

Expressed in Canadian Dollars

	Note	Share Capital	Contributed Surplus	Deficit	Total
Balance February 28, 2018		\$ 2,202,200	\$ 153,151	\$ (2,000,049)	\$ 355,302
Net loss for the period		-	-	(67,522)	(67,522)
Shares issued for private placement	10	1,000,000	-	-	1,000,000
Share issue costs	10	(29,551)	-	-	(29,551)
Balance August 31, 2018		\$ 3,172,649	\$ 153,151	\$ (2,067,571)	\$ 1,258,229

	Note	Share Capital	Contributed Surplus	Deficit	Total
Balance February 28, 2019		\$ 3,309,957	\$ 350,758	\$ (2,297,781)	\$ 1,362,934
<b>Net loss for the period</b>		-	-	<b>(48,375)</b>	<b>(48,375)</b>
<b>Share issue costs</b>	<b>10</b>	<b>(282)</b>	-	-	<b>(282)</b>
<b>Balance August 31, 2019</b>		<b>\$ 3,309,675</b>	<b>\$ 350,758</b>	<b>\$ (2,346,156)</b>	<b>\$ 1,314,277</b>

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

**JIULIAN RESOURCES INC.***(An Exploration Stage Company)*

## CONDENSED INTERIM STATEMENTS OF CASH FLOWS (un-audited)

For the six months ended August 31

(Expressed in Canadian Dollars)

	Note	2019	2018
<b>OPERATING ACTIVITIES</b>			
Income (loss) for the period		\$ (48,375)	\$ (67,522)
Items not affecting cash			
Depreciation		718	261
Changes in non-cash working capital			
Taxes recoverable		(44,337)	2,691
Prepaid expenses and advances		34,154	(10,221)
Trade and other payables		(500,719)	4,908
<b>Cash used in operating activities</b>		<b>(558,559)</b>	<b>(69,883)</b>
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation asset expenditures	7	(609,968)	-
<b>Total cash provided by investing activities</b>		<b>(609,968)</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from private placement	10	-	1,000,000
Share issue costs	10	(282)	(29,551)
<b>Net cash provided by financing activities</b>		<b>(282)</b>	<b>970,449</b>
<b>Increase (decrease) in cash during the period</b>		<b>(1,168,809)</b>	<b>900,566</b>
<b>Cash and cash equivalents beginning of period</b>		<b>1,247,504</b>	<b>298,395</b>
<b>Cash end of period</b>		<b>\$ 78,695</b>	<b>\$ 1,198,961</b>
<b>Composition of cash, cash equivalents</b>			
Cash		\$ 78,695	\$ 198,961
Cash equivalents		-	1,000,000
<b>Cash and cash equivalents, end of the period</b>		<b>\$ 78,695</b>	<b>\$ 1,198,961</b>

Supplemental cash flow information – Note 16

## **JULIAN RESOURCES INC.**

(An Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

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### **1. CORPORATION INFORMATION**

Julian 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 Exchange granted final approval on the reactivation of Julian from the NEX Board of the Exchange to Tier 2 of the Exchange effective Tuesday October 9, 2018. The Company commenced trading on the Exchange Tier 2 under symbol "JLR" on the effective date.

The Company's corporate office and principal place of business is located at 335 – 1632 Dickson Avenue, Kelowna, BC V1Y 7T2.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties located in Canada. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's current properties include mineral properties located in British Columbia.

### **2. BASIS OF PREPARATION AND GOING CONCERN**

These condensed interim financial statements for the three and six month period ended August 31, 2019 and 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. These condensed interim financial statements follow the same accounting policies and methods of application of the Company's most recent annual financial statements. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2019 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and Interpretations of the International Financial Reporting Interpretations Committee.

The condensed interim financial statements were authorized for issue by the Board of Directors on October 28, 2019.

These condensed interim financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value. The condensed interim financial statements are presented in Canadian dollars ("CDN"), which is the Company's functional currency. The preparation of condensed interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these condensed interim financial statements are disclosed in Note 4.

#### **Going Concern**

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not generated revenues from its operations to date. These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company had a net loss of \$48,375 for the period ended August 31, 2019 (August 31, 2018 - \$67,522) and has accumulated a deficit of \$2,346,156 (February 28, 2019 - \$2,297,781) since inception. The Company will continue to have to raise funds beyond its current working capital balance in order to continue the development of its exploration properties and general operations.

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. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants.



**JULIAN RESOURCES INC.**

(An Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

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**2. BASIS OF PREPARATION AND GOING CONCERN (cont'd)**

Management cannot provide assurance that the Company will ultimately achieve profitable operations or positive cash flow. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and raise additional capital. These matters indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**New Accounting Standards Adopted During the Period**

The Company has adopted the following new and revised accounting pronouncements:

***New Standard IFRS 16 "Leases"***

On March 1, 2019 the Company adopted the new standard IFRS 16 which replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing single, on-balance sheet accounting model that is similar to current finance lease accounting, with the limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is applicable to the Company's annual period beginning on or after March 1, 2019. There are no expected changes to the carrying value of any of the Company's assets or liabilities as a result of the adoption of this new accounting standard. The Company continues to assess the impact of the disclosure requirements under IFRS on the Company's financial statements.

***New Standard IFRS 2 "Share-Based Payments"***

On March 1, 2019, the Company adopted the new accounting standard IFRS 2. The amendments eliminate the diversity in practice in the classification and measurement of particular share-based payment transactions which are narrow in scope and address specific areas of classification and measurement. The Company has concluded that there is no significant impact resulting from the application of the new standard on its financial statements.

**4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

**Significant Accounting Judgements, Estimates and Assumptions**

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

The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or in the period of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

***Going Concern***

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgement based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

**JULIAN RESOURCES INC.***(An Exploration Stage Company)*

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

*(Expressed in Canadian Dollars)***4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)****Significant Accounting Judgements, Estimates and Assumptions (cont'd)***Impairment of Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

*Valuation of Share-based Payments*

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand, demand deposits with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates. During the period ended August 31, 2019 cash equivalents were held in a cashable guaranteed investment certificate with a maturity date of August 20, 2019 and with an interest rate of 1.3%. During the period ended August 31, 2019 the Company recorded investment income of \$9,420 (2018 – 1,268) in net loss and comprehensive loss.

**6. EQUIPMENT**

	Field Equipment	Furniture & Fixtures	Total
<b>Cost</b>			
Balance at February 28, 2018	\$ 25,143	\$ 4,502	\$ 29,645
Assets acquired	-	3,141	3,141
Balance February 28, 2019	\$ 25,143	\$ 7,643	\$ 32,786
Assets acquired	-	-	-
<b>Balance at August 31, 2019</b>	<b>\$ 25,143</b>	<b>\$ 7,643</b>	<b>\$ 32,786</b>
<b>Depreciation and impairment losses</b>			
Balance at February 28, 2018	\$ 23,903	\$ 4,169	\$ 28,072
Depreciation for the year	372	857	1,229
Balance February 28, 2019	\$ 24,275	\$ 5,026	\$ 29,301
Depreciation for the period	130	588	718
<b>Balance at August 31, 2019</b>	<b>\$ 24,405</b>	<b>\$ 5,614</b>	<b>\$ 30,019</b>
<b>Carrying amounts</b>			
Carrying value at February 28, 2019	\$ 868	\$ 2,617	\$ 3,485
<b>Carrying value at August 31, 2019</b>	<b>\$ 738</b>	<b>\$ 2,029</b>	<b>\$ 2,767</b>

**JULIAN RESOURCES INC.***(An Exploration Stage Company)*

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

*(Expressed in Canadian Dollars)***7. EXPLORATION AND EVALUATION ASSETS**

	<b>Bid Kidd</b>	<b>Little Fort</b>	<b>Total</b>
Balance at February 28, 2018	\$ 2,250	\$ 62,268	\$ 64,518
Acquisition costs	-	4,079	4,079
Exploration costs	559,721	49,434	609,155
Write-off of exploration and evaluation expenditures	-	(115,781)	(115,781)
Balance at February 28, 2019	\$ 561,971	\$ 115,781	\$ 561,971
Acquisition costs	-	-	-
Exploration costs	<b>741,324</b>	-	<b>741,324</b>
<b>Balance at August 31, 2019</b>	<b>\$ 1,303,295</b>	<b>-</b>	<b>1,303,295</b>

Big Kidd and Little Fort Property

The Company on March 30, 2011 pursuant to a purchase agreement (the "Agreement") acquired a 100% interest in the Big Kidd Property and the Little Fort Property, located in British Columbia subject to net smelter royalty of 2.5% (the "Royalty"). Upon commencement of commercial production, the Company has the right to purchase a 60% interest in the Royalty for \$500,000 and the remaining 40% Royalty for \$1,000,000 at any time within three years following the commencement of commercial production.

During the year ended February 28, 2019 the Company's Little Fort claims expired and all acquisition and exploration expenditures in the amount of \$115,781 were written off, in accordance with Level 3 of the fair value hierarchy.

**Realization**

The Company's investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production or proceeds from the disposition thereof.

**a. Title**

Although the Company has taken steps to ensure the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

**b. Environmental**

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on the property may be diminished or negated.

**8. RECLAMATION BOND**

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company on its Big Kidd property. The reclamation deposits are held with the Minister of Energy and Mines in British Columbia. The reclamation bond includes a guaranteed investment certificate with a maturity date of December 5, 2019 with an interest rate of 1.25%.

**JIULIAN RESOURCES INC.**

(An Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

**9. TRADE AND OTHER PAYABLES**

	August 31 2019	February 28 2019
Trade payables	\$138,675	\$520,467
Due to related parties - Note 13	13,479	1,050
<b>Total</b>	<b>\$152,154</b>	<b>\$521,517</b>

**10. SHARE CAPITAL AND RESERVES****a) Common Shares**

The Company's authorized share capital is an unlimited number of common shares with no par value. The following is a summary of changes in share capital from March 1, 2018 to August 31, 2019.

	Number	Issue Price	Total
Balance at February 28, 2018	11,595,000	-	2,202,200
Private placement	16,666,667	\$0.06	1,000,000
Private placement	1,500,000	\$0.10	150,000
Exercise of warrants	1,500,000	\$0.10	150,000
Exercise of options	25,000	\$0.07	1,750
Fair value of warrants transferred on exercise	-	-	15,000
Fair value of options transferred on exercise	-	-	904
Fair value of private placement warrants transferred on issue	-	-	(166,667)
Share issue costs	-	-	(43,230)
Balance at February 28, 2019	31,286,667	-	3,309,957
Share issue costs	-	-	<b>(282)</b>
<b>Balance August 31, 2019</b>	<b>31,286,667</b>	<b>-</b>	<b>3,309,675</b>

During the period ended August 31, 2019 there were no share issuances.

The Company recorded \$282 in share issues costs for transfer agent fees in connection with share issuances in the prior year.

During the year ended February 28, 2019, the Company issued the following:

**Private Placement**

On June 15, 2018, the Company issued 16,666,667 units at a price of \$0.06 per unit ("Unit") for gross proceeds of \$1,000,000. Each Unit consists of one common share of the Company and one share purchase warrant entitling the holder to purchase an additional common share of the Company for a period of three years at a price of \$0.10 per share.

Share issue costs include agent's fees of \$29,550 in cash and grant of 492,521 Agent's Warrant exercisable to acquire one common share at an exercise price of \$0.10 for a period of one year in relation to the Units. The fair value of the non-cash share issuance costs of \$655 for the Agent's Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.05, exercise price of \$0.10, risk-free interest rate of 1.77%, average projected volatility of 63.12%, dividend yield of nil, average expected life of the options of 1 year and the fair value of the warrants of \$0.001.

On December 24, 2018 the Company completed an offering by issuing 1,500,000 common shares of the Company that qualify as flow-through shares for purposes of the *Income Tax Act* (Canada) ("FT Shares") at issue price of \$0.10 per FT Share for gross proceeds of \$150,000. During the period ended May 31, 2019 the Company fulfilled the \$150,000 of qualifying Canadian Exploration Expenditures.

**JULIAN RESOURCES INC.***(An Exploration Stage Company)*

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

*(Expressed in Canadian Dollars)***10. SHARE CAPITAL AND RESERVES (cont'd)****a) Common Shares**

Share issue costs include agent's fees of \$5,250 in cash and the grant of 105,000 Agent's Warrant exercisable to acquire one common share at an exercise price of \$0.10 for a period of one year in relation to the FT Shares. The fair value of the non-cash share issuance costs of \$3,505 for the Agent's Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.105, exercise price of \$0.10, risk-free interest rate of 1.90%, average projected volatility of 75.38%, dividend yield of nil, average expected life of the options of 1 year and the fair value of the warrants of \$0.03.

1,500,000 warrants with an exercise price of \$0.10 were exercised for gross proceeds of \$150,000. On exercise, \$15,000 was reclassified from warrant reserves to share capital. The weighted average share price on the date of exercise of these warrants was \$0.10.

Additional administrative and filing fees in the amount of \$4,270 were incurred in connection with the financings completed during the year ended February 28, 2019.

25,000 options with an exercise price of \$0.07 were exercised for gross proceeds of \$1,750. On exercise, \$904 was reclassified from warrant reserves to share capital. The weighted average share price on the date of exercise of these warrants was \$0.07.

**b) Share Purchase Warrants**

The following is a summary of changes in share purchase warrants from March 1, 2018 to August 31, 2019:

	Number of Warrants	Exercise Price	Weighted Average Exercise Price
Balance, February 28, 2018	-	-	-
Issued	16,666,667	\$0.10	\$0.10
Exercised	(1,500,000)		
<b>Balance at February 28, 2019 and August 31 2019</b>	<b>15,166,667</b>		<b>\$0.10</b>

As at August 31, 2019, 15,166,667 (February 28, 2019 – 15,166,667 share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 1.79 (February 28, 2019 – 2.21) years.

Expiry Date	Exercise Price	Number of Warrants
<b>June 15, 2021</b>	<b>\$0.10</b>	<b>15,166,667</b>

**c) Agents' Warrants**

The following is a summary of changes in share purchase warrants from March 1, 2018 to August 31, 2019:

	Number of Warrants	Exercise Price	Weighted Average Exercise Price
Balance, February 28, 2018	-	-	-
<b>Issued</b>	<b>597,521</b>	<b>\$0.10</b>	<b>\$0.10</b>
<b>Balance at February 28, 2019</b>	<b>597,521</b>	<b>\$0.10</b>	<b>\$0.10</b>
<b>Expired</b>	<b>(492,521)</b>	<b>\$0.10</b>	<b>\$0.10</b>
<b>Balance at August 31, 2019</b>	<b>105,000</b>	<b>\$0.10</b>	<b>\$0.10</b>

As at August 31, 2019, 105,000 (February 28, 2019 – 597,521) agent's warrants were outstanding and exercisable with a weighted average remaining contractual life of .32 (February 28, 2019 - .36) years.

Expiry Date	Exercise Price	Number of Warrants
<b>December 24, 2019</b>	<b>\$0.10</b>	<b>105,000</b>

**JULIAN RESOURCES INC.**

(An Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

**11. SHARE-BASED PAYMENTS****Option Plan Details**

The Company adopted a stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option price under each option shall be not be less than the discounted market price as defined in the policies of the Exchange on the grant date. All options vest when granted unless otherwise specified by the Board of Directors.

	Number of Options	Exercise Price	Weighted Average Exercise Price
Balance, February 28, 2018	670,000		\$0.10
Issued	1,180,000	\$0.07	\$0.07
Expired	(670,000)	\$0.10	\$0.10
Exercised	(25,000)	\$0.07	\$0.07
<b>Balance at February 28, 2019 and August 31, 2019</b>	<b>1,155,000</b>		<b>\$0.07</b>

As at August 31, 2019, 1,155,000 (February 28, 2019 – 1,155,000) options were outstanding and exercisable with a weighted average remaining contractual life of 4.30 (February 28, 2019 – 4.72) years.

Expiry Date	Exercise Price	Number of Options	Vested and Exercisable
<b>December 17, 2023</b>	<b>\$0.07</b>	<b>1,155,000</b>	<b>1,155,000</b>

**Fair Value of Options Issued During the Period**

There were no options granted during the period ended August 31, 2019 and 2018

**12. ADMINISTRATIVE AND GENERAL EXPENSES**

	Note	Three Months Ended		Six Months Ended	
		August 31		August 31	
		2019	2018	2019	2018
<b>Administrative and General Expenses</b>					
Accounting and legal		\$ 3,426	\$ 21,311	\$ 3,892	\$ 25,085
Conferences		-	-	621	-
Consulting	13	2,475	21,553	18,413	29,100
Website, shareholder communication		856	890	2,371	890
Office and administration fees		11,363	256	15,949	2,369
Regulatory fees		1,779	3,110	7,729	3,110
Rent	13	2,250	600	4,500	1,200
Transfer agent fees		591	1,522	1,352	2,013
Travel		689	1,635	2,251	4,012
		<b>\$ 23,429</b>	<b>\$ 50,877</b>	<b>\$ 57,077</b>	<b>\$ 67,779</b>

**JULIAN RESOURCES INC.**

(An Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

**13. RELATED PARTY TRANSACTIONS****a) Key Management Compensation**

	<b>August 31 2019</b>	August 31 2019
Key management personnel compensation comprised:		
Consulting fees:	<b>\$25,663</b>	\$25,500

- i) Consulting fees of \$9,750 (2018 – \$15,500) were paid or accrued to Charlie Cheng, the President and CEO and director of the Company.
- ii) Consulting fees of \$9,413 (2018 – \$Nil) were paid or accrued to Minco Corporate Management Inc. (“Minco”) a company controlled by Terese Gieselman a director of the Company. Ms Gieselman was appointed interim CFO effective May 15, 2019.
- iii) Administration fees of \$6,500 (2018 - \$Nil) were paid or accrued to Minco in relation to providing administrative and accounting employment services.
- iv) Consulting fees of \$Nil (2018 - \$10,000) were paid or accrued to Sam Wang and/or Canadian Regal International Finance Inc., a wholly owned company of Mr. Wang the Company’s former CFO and director. Mr. Wang resigned on May 15, 2019.

**a) Related Party Liabilities**

Amounts due to:	Service for:	<b>August 31 2019</b>	February 28 2019
Minco	Consulting Fees	<b>\$12,692</b>	\$4,961
Minco	Expenses	-	1,775
Charlie Cheng	Consulting Fees	-	13,781
Charlie Cheng	Expenses	-	3,797
Canadian Regal International Finance Inc.	Consulting Fees	-	3,150
Golden Ridge Resources Ltd. <sup>1</sup>	Rent & Expenses	<b>788</b>	1,575
<b>Total related party payables</b>		<b>\$13,479</b>	\$29,039

<sup>1</sup> Golden Ridge Resources Ltd. has a common officer of the Company and expenses are incurred for shared office space. Amounts due to related parties are without interest or stated terms of repayment.

**b) Rent**

The Company currently pays Golden Ridge Resources Ltd. rent and expenses on a month to month basis for shared offices space at approximately \$750 per month effective September 1, 2018 for total \$4,500 as at August 31, 2019 (2018 - \$Nil).

**14. LOSS PER SHARE**

	<b>August 31 2019</b>	August 31 2019
Net loss attributable to ordinary shareholders	<b>(\$48,375)</b>	(\$67,522)
Weighted average number of common shares	<b>31,286,667</b>	28,261,667
Basic and diluted loss per share	<b>(\$0.00)</b>	(\$0.00)

**15. SEGMENT REPORTING**

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada. The Company’s non-current assets as at August 31, 2019 and February 28, 2019 are all in Canada.

**JULIAN RESOURCES INC.**

(An Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2019 AND 2018

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**16. SUPPLEMENTAL CASH FLOW INFORMATION**

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. During the period ended August 31, 2019 and 2018 are the following transactions were excluded from the statements of cash flows:

- i) Included in accounts payable is \$131,357 (2018 - \$Nil) of exploration expenditures that are capitalized to exploration and evaluation assets.