L0RRAINE COPPER CORP

Condensed Interim Financial Statements
November 30, 2017
(Unaudited)
(Expressed in Canadian Dollars)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Lorraine Copper Corp. as at November 30, 2017 and 2016, notes to interim condensed financial statements and related Management Discussion and Analysis have been prepared by and are the responsibility of management.

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

Lorraine Copper Corp.
Condensed Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

		November 30, 2017	February 28, 2017
Assets			
Current			
Cash and cash equivalents		$ 275,654	$ 46,817
Accounts receivable		13,089	2,066
Prepaid expenses		18,575	18,575
		307,318	67,458
Receivable from a related party		-	6,500
Project Deposits		52,000	64,000
Exploration and evaluation assets	(Note 6)	4,203,681	4,138,545
Equipment		526	526
		$ 4,563,525	$ 4,277,029
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		$ 68,462	$ 22,451
Payable to related parties	(Note 8)	-	7,500
Other liability		-	8,228
		68,462	38,179
Payable to related parties	(Note 8)	12,000	12,000
Promissory notes	(Note 9)	-	184,366
		80,462	234,545
Shareholders' Equity			
Share Capital	(Note 7)	6,851,102	6,340,235
Warrants Reserve		245,632	245,632
Options Reserve		423,839	363,239
Deficit		(3,037,510)	(2,906,622)
		4.483,063	4,042,484
		$ 4,563,525	$ 4,277,029

Nature and continuation of operations (Note 1)

See notes to condensed interim financial statements.

Lorraine Copper Corp.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	For the Three Months Ended November 30		For the Nine Months Ended November 30	
	2017	2016	**2017**	2016
General and Administrative Expenses				
Bank Charges and Interest expense	**$ 32**	$ 82	**$ 146**	$ 261
Consulting	**715**	2,765	**7,320**	10,102
Investor relations	**2,878**	31,402	**9,494**	38,225
Professional fees	**-**	3,750	**12,181**	22,831
Office	**4,250**	1,573	**7,021**	4,058
Share-based compensation	**34,000**	25,000	**46,600**	25,000
Rent	**5,285**	6,217	**18,290**	17,452
Salaries and benefits	**4,422**	4,410	**12,920**	12,630
Transfer and filing fees	**4,984**	7,653	**9,435**	15,880
	56,566	82,852	**123,407**	146,439
Other (Income) Expense				
Interest Income	**-**	-	**-**	(6)
Interest Expense	**-**	5,104	**7,481**	11,834
Net Loss and Comprehensive Loss	**$ 56,566**	$ 87,956	**$ 130,888**	$ 158,267
Loss Per Share, basic and fully diluted	**$ 0.001**	$ 0.002	**$ 0.003**	$ 0.004
Weighted Average Number of Common Shares Outstanding	**39,532,362**	37,532,501	**38,256,621**	37,532,501
Deficit, Beginning of Period	**$ 2,980,944**	$ 2,301,163	**$ 2,906,622**	$ 2,230,852
Net loss / (income)	**56,566**	87,956	**130,888**	158,267
Deficit, End of Period	**$ 3,037,510**	$ 2,389,119	**$ 3,037,510**	$ 2,389,119

See notes to condensed interim financial statements.

Lorraine Copper Corp.
Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Amount	Warrants Reserve	Options Reserve	Deficit	Total Equity
Balance, February 29, 2016	22,832,501	$ 5,615,856	$ 130,538	$ 310,248	$ (2,230,852)	$ 3,825,790
Private placement, net of issue cost	14,786,250	744,379	115,094	-	-	859,473
Share-based payments				25,000		25,000
Net (loss) for period	-	-	-	-	(158,267)	(158,267)
Balance, November 30, 2016	37,618,751	6,360,235	245,632	335,248	(2,389,119)	4,551,996
Sale of flow through tax benefits		(20,000)	-	-	-	(20,000)
Share-based compensation	-	-	-	27,991	-	27,991
Net (loss) for period	-	-	-	-	(517,503)	(517,503)
Balance, February 28, 2017	37,618,751	6,340,235	245,632	363,239	(2,906,622)	4,042,484
Private placement, net of issue cost	5,740,834	510,867	-	-	-	510,867
Share-based payments	-	-	-	60,600	-	26,600
Net (loss) for period	-	-	-	-	(130,888)	(96,888)
Balance, November 30, 2017	$ 43,359,585	$ 6,851,102	$ 245,632	$ 423,839	$ (3,037,510)	$ 4,483,063

See notes to condensed interim financial statements.

Lorraine Copper Corp.
Condensed Interim Statement of Cash Flows
(Unaudited – Expressed in Canadian Dollars)

		Nine Months Ended November 30		
		2017		2016
Cash provided by (used in) Operating Activities				
Net (Loss)	**$**	**(130,888)**	$	(158,267)
Items not affecting cash				
Share-based compensation		**60,600**		-
		(70,288)		(158,267)
Changes in non-cash working capital				
Accounts receivable		**(4,523)**		(1,587)
Accounts payable and accrued liabilities		**30,283**		63,244
		(44,528)		(96,610)
Investing Activities				
Mineral property acquisition costs		**-**		(587,579)
Expenditures on Mineral Properties		**(65,136)**		(62,884)
Project deposits		**12,000**		-
		(53,136)		(650,463)
Financing Activity				
Payment of promissory note		**(184,366)**		-
Shares issued for cash, net of issue costs		**510,867**		884,473
		(326,501)		234,010
Increase in Cash and Cash Equivalents		**228,837**		137,400
Cash and Cash Equivalents, Beginning of Period		**46,817**		13,517
Cash and Cash Equivalents, End of Period	**$**	**275,654**	$	150,917

See notes to condensed interim financial statements

1. NATURE AND CONTINUATION OF OPERATIONS

Lorraine Copper Corp. (the "Company") was incorporated in British Columbia, and the common shares are listed for trading on the TSX Venture Exchange – Tier Two: symbol: LLC. The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow. The Company's head office and principal address is 110-325 Howe Street, Vancouver, British Columbia V6C 1Z7.

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company was unable to continue operations. Such adjustments and reclassifications could be material.

2. BASIS OF PREPARATION

These interim financial statements were authorized for issue on January 29, 2018 by the directors of the Company.

Statement of Compliance

These interim condensed financial statements for the Company's reporting period ended November 30, 2017 have been prepared in accordance with and using accounting policies which are, without reservation, in full compliance with IAS 34 as issued by the International Accounting Standards Board ("IASB") as required by National Instrument 52-107 sec. 3.2(1)(b)(ii) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and as set out in the Handbook of the Chartered Professional Accountants of Canada ("CPA Handbook").

Basis of Measurement

These interim condensed financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss or available-for-sale that have been measured at fair value (Note 3), and are presented in Canadian dollars, the Company's reporting currency and the functional currency of all of its operations.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with IFRS, and reflect the accounting policies, which have been applied consistently with those of the previous financial year.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

- Cash and cash equivalents as FVTPL
- Accounts receivable (excluding taxes receivable) as loans and receivables
- Deposits for reclamation as held-to-maturity
- Accounts payable and accrued liabilities and flow-through share premium as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivables and accounts payable (excluding due to related parties) approximate their fair values due to the short-term maturity of these financial instruments. The carrying value of reclamation deposits approximates fair value since amounts held earn interest at market rates. The fair value of amounts due to related parties included in accounts payable and accrued liabilities have not been disclosed as their fair values cannot be reliably measured since there is no quoted market prices for such instruments. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk refers to the potential that a counter party to a financial instrument will fail to discharge its contractual obligations and arises principally from the Company's holdings of cash and cash equivalents. The Company manages credit risk, in respect of cash and cash equivalents, by holding these at major Canadian financial institutions. In regards to accounts receivable, the Company is not exposed to significant credit risk. Concentration of credit risk exists with respect to the Company's cash s as all amounts are held at a major Canadian financial institution.

	November 30, 2017	February 28, 2017
Cash held in accounts with Bank of Montreal	$ 275,654	$ 46,817

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 5. Accounts payable and accrued liabilities and the amounts payable to related parties are due within the current operating period.

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 Company is exposed to interest rate risk when holding fixed rate short term deposits of varying maturities. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash equivalents investments is limited because these investments are generally highly liquid securities with short-term maturities. As at November 30, 2017, the Company considers its exposure to interest rate risk to be minimal.

Foreign currency risk

The Company's operations are located in Canada with substantially all transactions denominated in Canadian dollars and, accordingly, the Company is not exposed to significant foreign currency risk.

5. CAPITAL MANAGEMENT

The Company's primary source of funds has been obtained through the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as all components of shareholders' equity. Capital requirements are determined by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet strategic goals.

The Company periodically invests its capital in liquid investments to obtain returns that are considered reasonable under prevailing market conditions. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, there can be on assurance that it will continue into the future.

(Unaudited – Expressed in Canadian Dollars)

6. MINERAL PROPERTIES

Acquisition and exploration expenditures incurred on mineral properties for the nine months ended November 30, 2017 are as follows:

	Lorraine	Okeover	Lustdust	Total
Acquisition Costs				
Balance, February 28, 2017	$ 4,861,975	$ 228,579	$ 352,500	$ 5,443,054
Incurred during period	-	-	-	-
Balance, November 30, 2017	4,861,975	228,579	352,500	5,443,054
Exploration Expenditures				
Professional fees, field crews	-	30,610	33,560	64,170
Vehicle & Equipment rent	-	2,030	2,054	4,084
Geological	-	24,445	8,558	33,003
Transportation & fuel	-	668	655	1,323
Communication		4,394		4,394
Food & accommodation	-	-	2,388	2,388
Freight	-	-	120	120
Other	-	16,943	-	16,943
Total Expenditures for the period	-	79,090	47,335	126,425
Balance, February 28, 2017	108,470	70,561	16,460	195,491
Mineral Exploration Tax Credits	-	-	(11,289)	(11,289)
Balance November 30, 2017	108,470	149,651	52,506	310,627
Option Proceeds				
Balance, February 28, 2017	-	-	-	-
Additions	-	-	(50,000)	(50,000)
Balance, November 30, 2017	-	-	(50,000)	(50,000)
Cumulative mineral property impairment	(1,500,000)	-	-	(1,500,000)
Cumulative mineral property Costs	$ 3,470,445	$ 378,230	$ 355,006	$ 4,203,681

(Unaudited – Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (continued)

Acquisition and exploration expenditures incurred on the mineral properties for the nine months ended November 30, 2016 are as follows:

	Lorraine	OK	Lustdust	Total
Acquisition Costs				
Balance, February 28, 2016	$ 4,861,975	$ -	$ -	$ 4,861,975
Incurred during period	-	235,079	352,500	587,579
Balance, November 30, 2016	4,861,975	235,079	352,500	5,449,554
Exploration Expenditures				
Professional fees, field crews	3,600	40,080	5,940	49,620
Vehicle & Equipment rent	-	3,637	-	3,637
Geological	1,430	48	90	1,568
Transportation & fuel	-	2,343	-	2,343
Food & accommodation	-	4,323	-	4,323
Field equipment	-	239	-	239
Freight	-	16	-	16
Communications	-	389	-	389
Assaying	-	3,277	-	3,277
Other	-	15	54	69
Total Expenditures for the period	5,030	54,367	6,084	65,482
Balance, February 28, 2016	102,728	-	-	102,728
Balance, November 30, 2016	107,758	54,367	6,084	168,210
Mineral Property (METC)	(909)	(1,688)	-	(2,597)
Impairment of mineral property	(1,000,000)	-	-	(1,000,000)
Cumulative mineral property Costs	$ 3,968,824	$ 287,758	$ 358,584	$ 4,615,166

Lorraine-Jajay Project, Omineca Mining Division, British Columbia

The Company acquired the Lorraine-Jajay mineral property through the plan of arrangement with Eastfield Resources Ltd. and Lysander Minerals Corporation. This property is subject to an option agreement with Teck Resources Limited ("Teck"). Teck earned a 51% joint venture interest in the property by completing $9,000,000 of exploration expenditures by December 31, 2010. On January 28, 2011, Teck gave notice to the Company that it had earned in its 51% interest.

6. MINERAL PROPERTIES (continued)

OK Project, Vancouver Mining Division, British Columbia

On April 28, 2016, the Company entered into an agreement with a related company, Eastfield Resources Ltd., to acquire the Eastfield's 40% interest in the OK (Okeover) copper molybdenum project located near Powell River on the southern British Columbia coast. Under the terms of the agreement the Company will pay $40,000 to Eastfield and assume responsibilities to cover its proportionate share of assessment work requirements on the property. Eastfield will additionally be entitled to 20% of any option payments resulting from third party agreements with the project for a period of three years. The OK project consists of 17 mineral claims dating to 1966 encompassing 6,313 hectares. Central to the claims is a north-south trending zone of porphyry mineralization extending approximately 6.0 km. One of these zones, the North Lake Zone, hosts an NI 43-101 compliant inferred mineral resource of 86.8 million tonnes grading 0.31% copper and 0.014% Mos2 (0.009% Molybdenum) [N.C. Carter, P.Eng, 2006, filed on SEDAR].

During the previous year, the Company Closed an agreement with Prophecy Development Corp. to acquire Prophecy's 60% interest in the OK property joint venture for issuing 2,200,000 shares (share issuance completed in September, 2016 for a value of $176,000), assuming Prohecy's debt to Eastfield Resources Ltd. of $19,078 and by paying to Prophecy 30% of any option payments received with respect to the property arising from any agreements entered into for the next five years.

Lustdust Property, Omineca Mining Division, British Columbia

During the previous year, the Company closed an agreement with ALQ Gold Corporation ("ALQ") to acquire a 100% interest in the Lustdust property located in the Omineca Mining Division approximately 140 km northwest of Fort St. James, British Columbia by incurring aggregate exploration expenditures of $100,000 over the next year, paying $50,000 and issuing 5,500,000 shares (payment and share issued completed in September, 2016 for a value of $302,500). The 2017 exploration program and planned winter data compilation project are being completed in order to plan for a large drilling program in 2018.

On June 19, 2017, a letter of intent was signed with 1124245 B.C. Ltd. whereby 1124245 B.C. Ltd. has an option to purchase a 100% interest, subject to certain royalties and terms, in the Lustdust mineral property located in the Omineca Mining Division approximately 140 km northwest of Fort St. James, British Columbia. A formal agreement was subsequently signed on September 21, 2017.

To earn its interest in Lustdust, 1124245 B.C. Ltd. has made a $50,000 cash payment (paid) to Lorraine Copper and will issue 500,000 shares of 1124245 B.C. Ltd. (issued) and will undertake a minimum $500,000 expenditure on the property by December 31, 2017 (completed). Thereafter 1124245 B.C. Ltd. will make annual cash payments, share issuances and minimum annual property expenditures until a total of $6,000,000 has been spent on the property before December 31, 2021. At that point 1124245 B.C. Ltd. will issue sufficient shares to Lorraine Copper such that Lorraine will hold a 30% interest in 1124245 B.C. Ltd. Lorraine Copper will also retain a 2% NSR on precious metals and a 1% NSR on other metals which may be bought down by one-half each by the payment of $1,500,000 per royalty to Lorraine Copper.

Lustdust is a carbonate replacement deposit (CRD) and related porphyry system that includes gold-silver-zinc mantos, gold silver rich copper skarn, limestone hosted gold, porphyry Cu-Mo (Au) and precious metal quartz-vein mineralization. In excess of 334 drill holes totalling over 74,000 meters have been completed. An initial resource was published in 2010 (R. Simpson, P.Geo: Technical Report; filed by Alpha Gold, now ALQ Resources), on a small area of the mineralized system known as the Copper Canyon Skarn. At a 1.5% Cu cut off the indicated resource is 910,000 tonnes grading 1.56% Cu, 1.68 g/t Au and 39.3 g/t Ag and the inferred resource is a further 1.96 million tonnes grading 1.34% Cu, 1.72 g/t Au and 32.1 g/t Ag. Geophysical surveys indicate a good potential for discovering additional skarn mineralization and magnetic and soil geochemical sampling suggest that the mineralizing system extends well beyond the known mineralized zones. The prospective area is in excess of 6 km in length and 4-5 km wide.

The Lustdust Property lies along the western border of Serengeti Resources Inc.'s Kwanika Creek copper-gold property (recently published a PEA). and is approximately 30 km south of Lorraine Copper's 49% owned Lorraine Property which is a joint venture with Teck Resources Limited.

(Unaudited – Expressed in Canadian Dollars)

7. SHARE CAPITAL

Authorized
Unlimited common shares without par value
Unlimited preferred shares without par value

During the year ended February 28, 2017, the Company completed a common share consolidation at a ratio of two existing common shares for one new common share.

Share Purchase Options

The Company issues options to directors, officers, and employees of the Company, and persons who provide ongoing services to the Company, under an incentive stock option plan. Under the plan, the Company has reserved up to 10% of issued share capital for the grant of options. Options will normally vest entirely at the date of grant for directors, officers and employees and at the rate of 25% on the date of the grant and 25% every three months thereafter for consultants. Options will expire no later than five years from the grant date, except that they will expire within thirty days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

Common share purchase options outstanding during the year and as at November 30, 2017 were:

	Number of Shares	Weighted Average Exercise Price	
Balance February 28, 2017	2,075,000	$	0.06
Granted	1,425,000		0.08
Exercised	(475,000)		0.05
Balance, November 30, 2017	**3,025,000**	**$**	**0.7**

The following options are outstanding at November 30, 2017:

	Options Outstanding				Options Exercisable		
Expiry Date	Number of shares	Exercise price		Weighted Average Remaining Life	Number of shares	Exercise price	
16-May-27	950,000	$	0.07	9.65	950,000	$	0.07
03-Nov-26	600,000		0.06	9.25	600,000		0.06
17-Jan-27	100,000		0.10	9.55	100,000		0.10
03-May-26	950,000		0.05	8.75	950,000		0.05
8-Nov-27	425,000		0.09	9.83	425,000		0.09
	3,025,000	**$**	**0.07**	**9.31**	**3,025,000**	**$**	**0.07**

Warrants

The following warrants are outstanding at November 30, 2017:

	Warrants Outstanding			Weighted Average Remaining Life
Expiry Date	Number of shares	Exercise price		
10-Sep-19	1,000,000	$	0.12	2.05
28-Oct-18	4,723,500		0.10	1.15
26-May-21	2,000,000		0.05	3.75
8-Nov-19	6,077,592		0.15	1.92
	13,801,092		**0.12**	**2.07**

8. RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties. During the nine months ended November 30, 2017 geological services totaling $111,638 (year ended Feb. 28, 2017 - $70,505) were provided to the Company by Mincord Exploration Consultants Ltd. ("Mincord"), a geological service company owned by two directors of the Company. Mincord's relationship with the Company is non-exclusive and without retainer, and is used on a project by project basis. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs. Related party transactions are recorded at the exchange amount as agreed by the parties.

In the normal course of business, the Company enters into transactions with Eastfield Resources Ltd. ("Eastfield") for the use of equipment, services and rental of office space. The Company is related to Eastfield through common directors. At November 30, 2017, accounts payable to related parties were $nil (February 28, 2017- $7,500).

9. PROMISSORY NOTES

On December 15, 2013 the Company borrowed $100,000 from Eastfield Resources Ltd. secured by a loan agreement and promissory note. Following several additional loan draws and repayments, the balance payable on these notes, at February 28, 2017 was $184,366. The promissory note was paid in full during the nine months ended November 30, 2017.

10. SEGMENTED DISCLOSURES

The Company operates in one industry segment. Mineral properties and other capital assets are located in Canada and all exploration expenditures have been incurred in Canada.

11. SUBSEQUENT EVENTS

As announced on January 12, 2018 the Company intends to raise up to $600,000 by way of a private placement of units at 10 cents per unit, with each unit to consist of one common share and one share purchase warrant, with each whole warrant to entitle the holder to purchase an additional common share at a price of 20 cents for a period of two years from closing.