Copper One Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended
March 31, 2017 and 2016

(in Canadian dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

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 condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Copper One Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at

	Note	March 31, 2017	December 31, 2016
		(unaudited)	
ASSETS			
Current assets			
Cash and cash equivalents		$ 878,566	$ 1,205,519
Marketable securities	3	101,250	78,750
Receivables	4	92,298	43,621
Prepaid expenses		17,897	27,965
Total current assets		$ 1,090,011	1,355,855
Non-current assets			
Property and equipment		9,768	10,381
Exploration and evaluation assets	5	854,996	854,996
TOTAL ASSETS		$ 1,954,775	$ 2,221,232
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 195,028	$ 131,755
Total liabilities		$ 195,028	131,755
Shareholders' Equity (Deficiency)			
Share capital		18,922,990	18,922,990
Share-based payments reserves	6	1,624,382	1,771,484
Deficit		(18,787,625)	(18,604,997)
Total shareholders' equity (deficiency)		$ 1,759,747	2,089,477
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		$ 1,954,775	$ 2,221,232

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Approved on behalf of the Directors:

"Scott Moore" — Director

"Paul Pint " — Director

(The accompanying notes are an integral part of these condensed interim consolidated financial statements.)

Copper One Inc.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

Unaudited

(Expressed in Canadian dollars)

	Note		For the three months ended March 31, 2017		2016
Operating expenses					
Management and consulting fees	7	$	149,950	$	160,648
General office and administration expenses			23,251		3,655
Shareholder communications			12,273		6,244
Accounting and legal			321		-
Exploration and evaluation expenses (recovery)	5		167,418		(29,362)
Amortization			613		-
Foreign exchange (gain) loss			-		-
Total operating expenses		$	353,826	$	141,185
Loss before other income (expenses)			(353,826)		(141,185)
Other income (expenses)					
Gain on debt settlement			-		39,000
Unrealized gain on held for trading marketable securities	3		22,500		22,500
Interest income			1,596		-
Net (loss) and comprehensive (loss) for the period		$	(329,730)	$	(79,685)
(Loss) per share					
Basic and diluted		$	(0.01)	$	(0.01)
Weighted average number of shares outstanding:					
Basic and diluted			34,190,109		10,281,957

(The accompanying notes are an integral part of these condensed interim consolidated financial statements.)

Copper One Inc.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited

(Expressed in Canadian dollars)

		Three months ended March 31,			
	Note		2017		2016
Cash provided by (used in) operations:					
Loss for the period		$	(329,730)	$	(79,685)
Items not involving cash:					
Amortization			613		-
Unrealized (gain) on held for trading marketable securities	3		(22,500)		(22,500)
Change in working capital items:					
Receivables			(48,677)		8,461
Prepaid expenses and deposits			10,068		1,384
Accounts payable and accrued liabilities			63,273		98,736
Net cash (used in) provided by operating activities			(326,953)		6,396
Change in cash and cash equivalents			(326,953)		6,396
Cash and cash equivalents, beginning of period			1,205,519		53,849
Cash and cash equivalents, end of period		$	878,566	$	60,245
Cash and cash equivalents are comprised of:					
Cash in bank		$	868,566	$	60,245
Cashable guaranteed investment certificates			10,000		-
Supplemental information:					
Common shares issued for debt		$	-	$	156,000

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

Copper One Inc.

Condensed Interim Consolidated Statements of Changes in Equity

Unaudited

(Expressed in Canadian dollars)

	Number of Shares (Note 8)	Share Capital	Share-based payments Options	Share-based payments Warrants	Share-based payments reserve (Note 9)	Deficit	Total
Balance, December 31, 2015	6,853,385	$17,014,798	$ 409,117	$ -	$ 409,117	$(17,926,999)	(503,084)
Shares issued for debt settlement	3,900,000	156,000	-	-	-	-	156,000
Net loss for the period	-	-	-	-	-	(79,685)	(79,685)
Balance, March 31, 2016	**10,753,385**	**$17,170,798**	**$ 409,117**	**$ -**	**$ 409,117**	**$(18,006,684)**	**$ (426,769)**
Balance, December 31, 2016	34,190,109	$18,922,990	$ 683,990	$ 1,087,494	$ 1,771,484	$(18,604,997)	2,089,477
Expiry of options	-	-	(147,102)	-	(147,102)	147,102	-
Net loss for the period	-	-	-	-	-	(329,730)	(329,730)
Balance, March 31, 2017	**34,190,109**	**$18,922,990**	**$ 536,888**	**$ 1,087,494**	**$ 1,624,382**	**$(18,787,625)**	**$ 1,759,747**

(The accompanying notes are an integral part of these condensed interim consolidated financial statements.)

1. Nature of operations and going concern

Copper One Inc. (the “Company”) operates under the Canada Business Corporations Act. The Company’s wholly owned subsidiary 7231300 Canada Ltd. was incorporated on August 26, 2009. The Company’s common shares trade on the TSX Venture Exchange under the symbol “CUO”.

The Company is in the process of exploring and evaluating mineral property interests in Quebec, Canada. The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The Company’s continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets.

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. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company’s exploration and evaluation assets have been suspended (see Note 5). While the Company is appealing the suspension, it is not possible to predict whether the suspension will be lifted. These conditions indicate the existence of material uncertainty. If the suspension is not resolved, the carrying value of the exploration and evaluation assets may be impaired.

The condensed interim consolidated financial statements of the Company for the three months ended March 31, 2017 were reviewed, approved and authorized for issue by the Board of Directors on May 18, 2017.

The Company has an accumulated deficit of $18,787,625, working capital of $894,983 as at March 31, 2017 and has incurred losses totaling $329,730 during the three months ended March 31, 2017. The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required.

The head office and principal address of the Company is at Suite 805, 65 Queen Street West, Toronto, Ontario M5H 2M5.

2. Significant accounting policies

Statement of compliance

These condensed interim consolidated financial statements of the Company and its subsidiary have been prepared in accordance with International Account Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). The policies set out in the Company’s Annual Consolidated Financial Statements for the twelve months ended December 31, 2016 were consistently applied to all the periods presented unless otherwise noted below.

2. Significant accounting policies (continued)

Basis of preparation

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for available-for-sale investments which are reflected at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 7231300 Canada Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation.

Subsidiaries
Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

New and future accounting pronouncements

The unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2016, except for the adoption of the following new standards and interpretations issued by the IASB that were effective as of January 1, 2017.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017. There was no impact on the Company's interim financial statements upon adoption of the amendment to IAS 7 on January 1, 2017

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. There was no impact on the Company's interim financial statements upon adoption of the amendments to IAS 12 on January 1, 2017.

2. Significant accounting policies (continued)

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2018 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

3. Marketable securities

On August 22, 2013, the Company received 2,250,000 common shares of Cornerstone Metal Inc. At March 31, 2017, the quoted market value of these shares was $101,250 (December 31, 2016 - $78,750). An unrealized gain of $22,500 was recorded for the three months ended March 31, 2017 (Q1 - 2016: gain of $22,500).

Paul Cowley, a former director of the Company, is a director and officer of Cornerstone Metal Inc.

(Expressed in Canadian dollars)

4. Receivables

	March 31, 2017	December 31, 2016
Taxes receivable	$ 92,298	$ 43,621
	$ 92,298	$ 43,621

5. Exploration and evaluation assets and expenditures

The Company's principal activity is the exploration and development of its Rivière Doré project. Acquisition costs of $854,996 related to this project are included in exploration and evaluation assets in the Company's statement of financial position.

The exploration and evaluation expenses for the three months ended March 31, 2017 and 2016 were as follows:

	Three months ended March 31, 2017	2016
	$	$
Consulting	10,449	-
Government assistance	-	(29,362)
Legal	148,105	-
Travel & accomodation	3,301	-
Field office and supplies	3,566	-
Truck rental	1,997	-
Total	167,418	(29,362)

On November 30, 2011, the Company signed an agreement with Cartier Resources Inc. ("Cartier") to acquire 100% of the Rivière Doré Copper Nickel property ("Rivière Doré") located southeast of the town Val D'Or, Quebec. This agreement superseded the agreement signed with Cartier in January 2011. In consideration for a 100% interest in Rivière Doré, the Company paid $150,000 in cash, issued 2,000,000 common shares of the Company with an estimated fair value of $550,000 and granted a royalty of 1% of the net smelter return in connection with ore extracted from the Rivière Doré property. The Company is also committed to a 2% royalty payment of the net smelter return on 36 of its 1,052 existing claims on the property. This transaction closed on December 15, 2011.

The Company also agreed to pay to Cartier an amount equal to 2% of the net present value shown in a bankable feasibility study on Rivière Doré, payable in cash in three equal installments over the 18-month period from the commencement of commercial production on the Rivière Doré property.

The Rivière Doré property had been under suspension since July 4, 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barriere Lake in relation to the property.

On June 29, 2016, the Company announced that it has received a written notification from the Quebec Ministry of Energy and Natural Resources ("MERN") that effective June 28, 2016 all claims under suspension on the Company's Rivière Doré project had been lifted.

(Expressed in Canadian dollars)

5. Exploration and evaluation assets and expenditures (continued)

On February 9, 2017, the Company received notification from MERN suspending all the Company's mining claims related to its Rivière Doré Project.

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of MERN to suspend all mining claims related to its Rivière Doré Project. The Company strongly disagrees with MERN's decision to suspend its claims and will continue to exercise its legal rights.

On May 1, 2017, the Quebec Ministry of Forests, Fauna and Parks (the "MFFP") issued a letter to the Company wherein it announced its intention to deny the Company's forest management permit to allow for drilling on 11 locations on the Company's Rivière Doré project. The Company responded to the letter from the MFFP on May 4, 2017, asking them to reconsider their position.

6. Share-based payments reserve

	Options			Warrants			Total
	Number of options	Weighted average exercise price	Estimated grant date fair value of options	Number of warrants	Weighted average exercise price	Estimated Grant Date Fair Value of warrants	
December 31, 2015	**477,000**	**$ 0.26**	**$ 409,117**	**-**	**$ -**	**$ -**	**$ 409,117**
Granted	1,948,800	0.19	358,189	19,700,288	$ 0.20	$ 1,087,494	**$ 1,445,683**
Expired	(49,000)	2.70	(83,316)	-	-	-	(83,316)
December 31, 2016	**2,376,800**	**$ 0.32**	**$ 683,990**	**19,700,288**	**$ 0.20**	**$ 1,087,494**	**$ 1,771,484**
Expired	(415,000)	0.57	(147,102)	-	-	-	(147,102)
March 31, 2017	**1,961,800**	**$ 0.26**	**$ 536,888**	**19,700,288**	**$ 0.20**	**$ 1,087,494**	**$ 1,624,382**

The Company has a stock-option plan whereby the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the plan will be for a term not to exceed 5 years.

During the three months ended March 31, 2017 and 2016, the Company recorded stock based compensation of $nil and expired unexercised stock options of $147,102 (March 31, 2016 - $nil) to deficit.

The following options were in existence at March 31, 2017:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Grant date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
20,000	20,000	22-Feb-2013	22-Feb-2018	1.00	15,889	1.00	111%	5	0	1.40%
233,000	233,000	14-May-2014	14-May-2019	0.70	156,110	0.70	120%	5	0	1.50%
10,000	10,000	03-Jul-2014	03-Jul-2019	0.70	6,700	0.50	120%	5	0	1.52%
1,698,800	1,698,800	11-Oct-2016	11-Oct-2021	0.19	358,189	0.19	190%	5	0	0.76%
1,961,800	1,961,800				536,888					

(Expressed in Canadian dollars)

6. Share-based payments reserve (continued)

Fair value of share options granted:

The Company did not grant any stock options during the three months ended March 31, 2017 or 2016.

On October 11, 2016, the Company granted 1,948,800 stock options to various directors, officers and consultants of the Company to purchase shares of the Company at $0.19 per option until October 11, 2021. Of the total options granted, 1,583,800 were granted to directors and officers of the Company.

Options issued by the Company are priced using the Black-Scholes option-pricing model. Where relevant, the expected life used in the model is adjusted based on managements' best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. The expected life of the option is calculated based on the history of option exercises. The weighted average remaining contractual life of the options exercisable at March 31, 2017 was 4.2 years (December 31, 2016 – 4.3 years).

The following warrants were in existence at March 31, 2017:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Grant date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
17,084,801	17,084,801	04-Aug-2016	04-Aug-2018	0.20	893,736	0.16	240%	2	0	0.54%
849,987	849,987	04-Aug-2016	04-Aug-2018	0.13	100,660	0.16	240%	2	0	0.54%
1,650,000	1,650,000	17-Aug-2016	17-Aug-2018	0.20	79,847	0.20	221%	2	0	0.57%
115,500	115,500	17-Aug-2016	17-Aug-2018	0.13	13,251	0.20	221%	2	0	0.57%
19,700,288	19,700,288				1,087,494					

7. Related party transactions and balances

During the three months ended March 31, 2017 and 2016, the Company entered into the following transactions in the ordinary course of business with related parties from accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services Three months ended March 31, 2017	 2016
Forbes & Manhattan, Inc.	$ 30,000	$ 75,000

Mr. Stan Bharti is the Executive Chairman of Forbes. The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month (January 2015 to June 2016 - $25,000 per month) is charged by Forbes pursuant to a consulting agreement.

(Expressed in Canadian dollars)

7. Related party transactions and balances (continued)

The Company shares its office space with QMX Gold Corporation ("QMX") located in Val-d'Or. During the three months ended March 31, 2017, $2,674 was charged by QMX to the Company for rent and consulting expenses (Q1 - 2016 - $Nil). As at March 31, 2017 the Company had a payable balance of $3,074 (December 31, 2016 - $13,861) with QMX. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment and due on demand. Deborah Battiston, an officer of the Company, is an officer of QMX.

See Notes 3 and 6.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2017 and 2016 were as follows:

	Three months ended March 31, 2017	2016
Short-term benefits	$ 54,750	$ 95,833

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. See Note 8.

8. Commitments and contingencies

Contractual Obligations	Payments (Receipts) Due by Period		
	Total	Less than 1 Year	1 – 3 Years
Minimum commitment under management contracts (i)	$ 251,000	$ 251,000	$ -
Total	**$251,000**	**$251,000**	**$0**

(i) The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $807,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $251,000 due within one year.

8. Commitments and contingencies (continued)

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. (See note 5)

9. Subsequent events

See Note 5.