

BHK MINING CORP.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2017

(Unaudited – Prepared by Management)

(Stated in Canadian Dollars Unless Noted Otherwise)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of BHK Mining Corp. (the “Company”) as at March 31, 2017, and for the three months ended March 31, 2017, have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (“CPA Canada”) for a review of interim financial statements by an entity’s auditor.

May 26, 2017

BHK MINING CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	As at March 31, 2017	As at December 31, 2016
ASSETS		
Current		
Cash and cash equivalents	\$ 60,482	\$ 50,427
Other receivables	-	-
Prepaid and deposits	797	793
Total Current Assets	61,279	51,220
Equipment (Note 4)	73,164	92,820
Exploration property (Note 5)	2,121,533	2,121,533
Total Assets	\$ 2,255,976	\$ 2,265,573
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 76,721	\$ 64,943
Short-term loan	133,466	33,000
Total Liabilities	210,287	97,943
Equity		
Share capital (Note 6)	5,651,341	5,651,341
Reserves	287,351	287,351
Accumulated other comprehensive income	(41,614)	(60,957)
Deficit	(3,851,289)	(3,710,105)
Total Equity	2,045,789	2,167,630
Total Liabilities and Equity	\$ 2,255,976	\$ 2,265,573

Approved by the Board of Directors:

“Tim Sudjie”
 Director

“Candrawijaya Kartorahardjo”
 Director

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

BHK MINING CORP.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss***(Unaudited - Expressed in Canadian Dollars)*

	Three months ended March 31, 2017	Three months ended March 31, 2016
EXPENSES		
Bank charges and interest expense	\$ 1,116	\$ 1,590
Consulting and director fee	52,803	28,505
Depreciation	19,923	20,648
Exploration expenses	9,605	283,338
Filing fees and related charges	2,636	7,609
Loss (gain) on foreign exchange	701	(5,172)
Office expenses	9,290	34,445
Professional fees	35,748	48,411
Salaries and benefits	-	56,857
Share-based payments	-	-
Travel	9,362	138
	<u>(141,184)</u>	<u>(476,369)</u>
OTHER ITEM		
Interest income (expense)	-	728
	<u>(141,184)</u>	<u>(475,641)</u>
NET LOSS		
Currency translation difference	19,343	(7,620)
	<u>(121,841)</u>	<u>(483,261)</u>
LOSS AND COMPREHENSIVE LOSS FOR PERIOD		
	<u>(121,841)</u>	<u>(483,261)</u>
LOSS PER SHARE, Basic and Diluted		
	\$ (0.00)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (Basic and Diluted)		
	67,169,063	67,169,063

The accompanying notes are an integral part of these consolidated financial statement

BHK MINING CORP.**Condensed Interim Consolidated Statements of Changes in Equity***(Unaudited - Expressed in Canadian Dollars)*

	Share Capital		Reserves	Accumulated Other Comprehensive Income (loss)	Deficit	Total Shareholders' Equity
	Number	Amount				
		\$	\$	\$	\$	\$
Balance at January 1, 2016	67,169,063	5,651,341	287,351	(31,880)	(2,907,799)	2,999,013
Currency translation adjustment	-	-	-	(7,620)	-	(7,620)
Net loss for the period	-	-	-	-	(475,641)	(475,641)
Balance at March 31, 2016	67,169,063	5,651,341	287,351	(39,500)	(3,383,440)	2,515,752
Balance at January 1, 2017	67,169,063	5,651,341	287,351	(60,957)	(3,710,105)	2,167,630
Currency translation adjustment	-	-	-	19,343	-	19,343
Net loss for the Period	-	-	-	-	(141,184)	(141,184)
Balance at March 31, 2017	67,169,083	5,651,341	287,351	(41,614)	(3,851,289)	2,045,789

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

BHK MINING CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Cash Flows From (Used In) Operating Activities		
Net loss for the period	\$ (141,184)	\$ (475,641)
Items not affecting cash:		
Depreciation	19,923	20,648
Exchange gain/loss	19,076	(5,191)
Changes in non-cash working capital items:		
Other receivables	-	164
Prepaid and deposits	(4)	16,479
Accounts payable and accrued liabilities	11,778	134,902
Net cash used in operating activities	<u>(90,411)</u>	<u>(308,639)</u>
Cash Flows Used In Investing Activities		
Net cash used in investing activities	<u>-</u>	<u>-</u>
Cash Flows From Financing Activities		
Issue of short-term loan	100,466	-
Net cash provided by financing activities	<u>100,466</u>	<u>-</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	10,055	(308,639)
CASH AND CASH EQUIVALENTS, Beginning of Period	<u>50,427</u>	<u>837,272</u>
CASH AND CASH EQUIVALENTS, End of Period	<u>\$ 60,482</u>	<u>\$ 528,633</u>

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

BHK MINING CORP.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

BHK Mining Corp. (the “Company” or “BHK”) is a mineral resource company engaged in the exploration and evaluation of the Ndjole manganese gold exploration property in Gabon.

BHK is a publicly listed company incorporated in Canada with limited liability under the laws of Canada. The Company’s shares trade on the TSX-V under the symbol “BHK.V”. The registered office of the Company is located at Suite 530, 355 Burrard Street, Vancouver, British Columbia, Canada V6C 2G8.

The Company’s continuing operations as intended and its ability to continue as a going concern is dependent upon its ability to continue to raise financing. 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. 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. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statements of loss and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate.

These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as going concern.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent annual consolidated financial statements as at and for the year ended December 31, 2016, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2017. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and therefore should be read in conjunction with the Company’s most recent annual consolidated financial statements as at and for the year ended December 31, 2016. The effects of the adoption of new, amended and future IFRS pronouncements have been disclosed in Note 3 of these condensed interim consolidated financial statements.

(b) Approval of the Financial Statements

The condensed interim consolidated financial statements of BHK Mining Corp. for the three months ended March 31, 2017 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 26, 2017.

BHK MINING CORP.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited - Expressed in Canadian Dollars)***3. NEW, AMENDED AND FUTURE IFRS PRONOUNCEMENTS****Future IFRS Pronouncements**

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below except those which the Company does not expect to have any impact on the consolidated financial statements.

IFRS 9 – Financial Instruments

On July 24, 2014, the IASB issued the complete IFRS 9, Financial Instruments (“IFRS 9”). IFRS 9 introduces new requirements for the classification and measurements of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities and amends the impairment model by introducing a new “expected credit loss” model for calculating impairment. It also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted.

IAS 7 Statement of Cash Flows (Amendment)

In January 2016, the International Accounting Standards Board (IASB) issued amendments to IAS 7 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in April 2016. The amendments are part of the IASB's Disclosure Initiative to address some of the concerns expressed about existing presentation and disclosure requirements. The amendments require entities to provide disclosures that enable users of the financial statements to evaluate both cash flow and non-cash changes in liabilities arising from financing activities. These amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

4. EQUIPMENT

Cost	Computers	Software	Mining equipment	Vehicles	Total
	\$	\$	\$	\$	\$
December 31, 2015	5,035	16,279	87,866	139,119	248,299
Exchange difference	-	-	(5,156)	(8,166)	(13,322)
December 31, 2016	5,035	16,279	82,710	130,953	234,977
Exchange difference	-	-	362	575	937
March 31, 2017	5,035	16,279	83,072	131,528	235,914
Accumulated amortization					
December 31, 2015	2,260	7,461	18,123	40,504	68,348
Additions	606	8,140	28,549	42,658	79,953
Exchange difference	-	-	(2,148)	(3,996)	(6,144)
December 31, 2016	2,866	15,601	44,524	79,166	142,157
Additions	2,169	678	6,847	10,229	19,923
Exchange difference	-	-	247	423	670
March 31, 2017	5,035	16,279	51,618	89,818	162,750
Net book value					
December 31, 2016	2,169	678	38,186	51,787	92,820
March 31, 2017	-	-	31,454	41,710	73,164

BHK MINING CORP.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited - Expressed in Canadian Dollars)***5. NDJOLE EXPLORATION PROPERTY**

On January 23, 2015, BHK acquired all of the outstanding shares of Dome Ventures SARL Gabon. The primary asset of Dome is the 100% owned Ndjole manganese gold project in Gabon. The Ndjole Property is situated in the Moyen Ogooue province, located in the western half of central Gabon. Dome was originally granted a prospecting permit for 10,910 km² on September 14, 2006 that was valid for 2 years. On July 14, 2008 the prospecting permit was reduced and converted to a 2,000 km² Exploration Permit. When the Exploration Permit was renewed for the first time on 21 June, 2012 the Minister de L'Industrie et Des Mines reduced the area that could be explored for manganese to 1,500 km². In June 2015, the Ndjole licence was renewed for a second time and reduced to 1,496 km² for all substances (Mn, Fe, Pb, Cu, Zn, Au and Ag). The renewal done in November 2015 is valid for 3 years and includes work commitments totaling USD\$4.72 million for the period November 2015 to November 2018 using an exchange rate of CFA620/USD.

6. SHARE CAPITAL

a) Authorized share capital:

As at December 31, 2016, the authorized share capital of the Company was an unlimited number of common shares without par value.

b) Stock options

The Company has a stock option plan that limits the number of options issuable to a maximum of 2,750,000 options.

The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of up to ten years and vest as determined by the board of directors.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, January 1, 2016	2,750,000	\$0.16
Cancelled	(1,800,000)	\$0.17
Balance, December 31, 2016	950,000	\$0.15
Cancelled	(200,000)	\$0.17
Balance, March 31, 2017	750,000	\$0.14

The following Stock Options were outstanding as at March 31, 2017:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Fair Value of Options
September 27, 2018	\$0.10	450,000	1.49	\$0.09
January 23, 2020	\$0.20	200,000	2.82	\$0.09
April 9, 2020	\$0.20	100,000	3.03	\$0.05
Total	\$0.14	750,000	2.05	\$0.08

BHK MINING CORP.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited - Expressed in Canadian Dollars)***6. SHARE CAPITAL (Continued)**

c) Escrowed shares

As at March 31, 2017, 3,707,869 common shares remain held in escrow and are will be released pro-rata to the shareholders in two remaining equal tranches every six months. The next tranche will be released on July 27, 2017. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

7. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At March 31, 2017, the Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities and short-term loan. The fair values of cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term to maturity. The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

8. SEGMENTED INFORMATION

The Company's business of exploration and development of mineral interest is considered as operating in one segment. The geographical division of the Company's non-current assets is as follows:

Exploration and evaluation assets:

	Canada	Gabon	B.V.I.	Total
December 31, 2016	\$ -	\$ 2,121,533	\$ -	\$ 2,121,533
March 31, 2017	\$ -	\$ 2,121,533	\$ -	\$ 2,121,533

Equipment:

	Canada	Gabon	B.V.I.	Total
December 31, 2016	\$ 2,848	\$ 89,972	\$ -	\$ 92,820
March 31, 2017	\$ -	\$ 73,164	\$ -	\$ 73,164

The Company has significant assets in Gabon, Africa. Although Gabon is generally considered economically stable, it is always possible that unanticipated events in foreign countries could disrupt the Company's operations. The Gabonese government does not require foreign entities to maintain cash reserves in their country.

BHK MINING CORP.**Notes to the Condensed Interim Consolidated Financial Statements***(Unaudited - Expressed in Canadian Dollars)*

9. RELATED PARTY TRANSACTIONS

The Company entered into a loan agreement on March 31, 2017 with a related party for the sum of USD\$250,000 payable in five tranches. The loan agreement is unsecured and due on demand with maturity date on November 3, 2017. The loan bears interest at a rate equal to LIBOR 3-month plus 0.50% commencing effective May 3, 2017. Interest will be payable on the earlier of: (a) demand; or (b) the maturity date. All interest shall be calculated on the basis of a 365- day year and the actual number of days elapsed from each tranche.

The Company incurred the following transactions with directors/officers of the Company and corporations that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Director fee	\$ -	\$ -
Consulting fee	52,803	25,432
Bonus	-	-
Share-based payments	-	-
	<u>\$ 52,803</u>	<u>\$ 25,432</u>

10. SUBSEQUENT EVENTS

None.