Black Bull Resources Inc.

Interim Report

June 30, 2018

FINANCIAL STATEMENTS

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements of the Company for the period ending June 30, 2018 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

BLACK BULL RESOURCES INC.

STATEMENTS OF FINANCIAL POSITION
PERIOD ENDED JUNE 30, 2018

(Expressed in Canadian Dollars)		June 30 2018		Sept 30 2017
ASSETS				
Current				
Cash and cash equivalents	$	27,831	$	36,432
Receivables		2,868		3,913
Prepaid expenses		22,002		10,185
Other Assets		293,854		291,729
		346,555		342,259
Property, plant and equipment		511		660
Mineral claims		1		1
Deferred costs		1		1
Other assets (Note 9)		-		.
	$	347,068	$	342,921
LIABILITIES				
Current				
Payables and accrued liabilities	$	135,926	$	129,196
Demand Loan		325,024		242,429
Deposit		53,778		53,778
Asset retirement obligation		260,899		257,303
		775,626		682,706
		775,626		682,706
SHAREHOLDERS' EQUITY				
Capital stock (Note 3)		23,588,518		23,588,518
Contributed surplus (Note 3)		2,070,133		2,070,133
Deficit		(26,087,209)		(25,998,436)
		(428,558)		(339,785)
	$	347,068	$	342,921

Continuation of business (Note 1) and reference Subsequent Events (Note 5)

These financial statements were approved for issue by the Board of Directors on August 27, 2018 and are signed on its behalf by:

David Crombie Director

Dave Wood Director

BLACK BULL RESOURCES INC.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
PERIOD ENDED JUNE 30, 2018
(unaudited)

	2018		2017	
	3 months	**9 months**	**3 months**	**9 months**
COSTS AND EXPENSES				
Operations and overhead	9,210	25,815	4,750	14,251
Amortization	49	148	-	-
Sales and marketing	176	391	125	300
General and administration	16,474	60,489	32,622	78,706
	25,909	86,843	37,497	93,257
LOSS BEFORE OTHER ITEMS	(25,909)	(86,843) #	(37,497)	(93,257)
OTHER ITEMS				
Amortization	(1,199)	(3,596)	(1,199)	(3,596)
Interest income	234	1,667	708	2,145
LOSS BEFORE TAXES	(26,874)	(88,772)	(37,987)	(94,708)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(26,874)	(88,772)	(37,987)	(94,708)
DEFICIT AT BEGINNING OF PERIOD	(26,060,335)	(25,998,437)	(25,879,329)	(25,822,608)
	-		-	
DEFICIT AT END OF PERIOD	$ (26,087,209)	$ (26,087,209)	$ (25,917,316)	$ (25,917,316)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.02)

BLACK BULL RESOURCES INC.

STATEMENTS OF CASH FLOWS
PERIOD ENDED JUNE 30, 2018
(unaudited)

	2018		2017	
	3 months	9 months	3 months	9 months
OPERATING ACTIVITIES				
Net loss for the period	$ (26,874)	$ (88,772)	$ (37,987)	$ (94,708)
Non-cash items included in net loss				
Amortization	49	148	-	-
Accretion on asset retirement obligation	1,199	3,596	1,199	3,596
	(25,627)	(85,028)	(36,788)	(91,112)
Change in non-cash working capital accounts				
Receivables	(2,362)	4,631	(3,183)	(2,251)
Prepaid expenses	(4,689)	(11,817)	(9,836)	(39,316)
Payables and accruals	12,342	3,057	44,289	63,732
	(20,335)	(89,157)	(5,518)	(68,947)
INVESTING ACTIVITIES				
Proceeds from sale of redundant assets				
Acquisition of capital assets				
Reclamation deposits	(708.45)	(2,125)	(708)	(2,121)
Funds held in Trust	-		-	(53,778)
Convertible debentures	25,000	82,595	-	(170,000)
Change in Equity	-		-	301,207
Change in cash and cash equivalents during the period	3,957	(8,687)	(6,226)	6,361
Cash and cash equivalents at beginning of the period	$ 23,874	$ 36,518	$ 37,348	$ 24,761
Cash and cash equivalents at end of period	$ 27,831	$ 27,831	$ 31,122	$ 31,122

BLACK BULL RESOURCES INC.

STATEMENTS OF CHANGES IN EQUITY

PERIOD ENDED JUNE 30 2017 and JUNE 30 2018

	Common Shares		Share based payment reserve	Deficit	Total Equity
	Without par Value	$	$	$	$
Balance September 30, 2016	**90,853,274**	**23,538,215**	**2,070,133**	**(25,822,608)**	**(214,260)**
Net Income (loss)				(94,708)	(94,708)
Balance June 30, 2016	**90,853,274**	**23,538,215**	**2,070,133**	**(25,917,316)**	**(308,968)**
Balance September 30, 2017	**3,552,287**	**23,588,518**	**2,070,133**	**(25,998,437)**	**(339,786)**
Net Income (loss)		-		(88,772)	(88,772)
Balance June 30, 2018	**3,552,287**	**23,588,518**	**2,070,133**	**(26,087,209)**	**(428,558)**

NOTES TO FINANCIAL STATEMENTS

For period ended June 30, 2018 (Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUATION OF BUSINESS

The Company with the registered and head office at P.O. Box 698 Shelburne, Nova Scotia was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On June 12, 2008 the Company continued under the Canada Business Corporations Act.

The Company is in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

While the financial statements have been prepared based on accounting principles applicable to a going concern, several adverse conditions and events cast significant doubt upon the validity of this assumption.

PROPOSED CHANGE OF BUSINESS

On September 21, 2017, the Company announced it has entered into an asset purchase agreement with a group of investment and business professionals to affect an arm's length "Change of Business" transaction (as defined in Policy 5.2 of the TSX Venture Exchange). The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange.

On May 25, 2018, that the Company has signed an amendment to the previously announced Definitive Agreement dated September 19, 2017, with a group of investment and business professionals to effect, an arm's length, Change of Business (the "Transaction") as defined in Policy 5.2 of the TSX Venture Exchange, (the "Exchange" or "TSXV"). The Transaction which, is subject to regulatory and final closing conditions, will see Black Bull transition from a Resource Issuer to an Investment Issuer within the meaning of such terms as defined in the policies of the TSXV.

GOING CONCERN

The Company continues to incur significant operating losses. There was no significant income this period, no active operations, and significant accumulated deficit. If the trend continues the current working capital is not sufficient to sustain the Company for the next 12 months. Such material uncertainties cast substantial doubt as to the ability of the Company to meet is obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's continued existence is dependent upon maintaining control of its mineral resources until such time as the market improves. However, there can be no assurances that the steps management is taking will be successful. Management's opinion is that the Company must conserve cash resources while the Company seeks strategic options.

The Company's ability to continue as a going concern depends on its ability to finance operations. The Company has been financed by demand loans from a related party.

If the going concern assumption were not appropriate for these financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements for the period ended June 30, 2018 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 ("IFRIC"). The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Specifically, they have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. The unaudited condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited financial statements for the year ended September 30, 2017, which has been prepared in accordance with IFRS.

These condensed interim financial statements have been prepared using the same accounting policies as the annual financial statements for the year ended September 30, 2017. On October 1, 2017, the Company adopted the following amendments to existing standards:

IAS 7 – Statement of Cash Flows

These amendments (Disclosure Initiative) require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

IAS 12 – Income Taxes

These amendments, Recognition of Deferred Tax Assets for Unrealized Losses, clarify how to account for deferred tax assets related to debt instruments measured at fair value.

The adoption of these amendments did not have a material impact on the Company's financial statements.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 17, 2018.

3. SHAREHOLDERS' EQUITY

a) Authorized

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

b) Issued, common shares

	June 30, 2018		September 30, 2017	
	#	$	#	$
Balance, beginning of period	**3,552,287**	**23,538,215**	3,028,442	23,538,215
Share issued to settle debt			227,273	25,000
Bonus shares issued as consideration for loans			296,572	32,622
Share issue costs	-			(7,319)
Balance, end of period	**3,552,287**	**23,588,518**	3,552,287	23,588,518

Share Consolidation

On February 24, 2017, the Company completed a share consolidation on the basis of one (1) post-consolidation common share for every thirty (30) pre-consolidation common shares. This transaction has been retrospectively presented throughout these financial statements which has resulted in all common shares and stock option transactions and balances being adjusted accordingly.

c) Contributed Surplus

	Stock Options Fair Value	**Warrants Fair Value**	**Total**
Balance, Sept 30, 2017	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**
Balance, June 30, 2018	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**

The contributed surplus of $2,070,133 (2017 - $2,070,133) consists of the fair value attributed to options and warrants granted and recognized to date.

4. RELATED PARTY BALANCES AND TRANSACTIONS

The following amounts are due to related parties:

Demand Loans		
	June 30, 2018	Mar 31, 2017
David Wood (Zenith Appraisal & Land Consulting Ltd.)	**$ 325,024**	$ 247,429

Included in accounts payable are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company

	Period ending	Period ending
	June 30, 2018	June 30, 2017
Martin MacKinnon CFO	$799	$775

For the periods ending June 30, 2018 and June 30, 2017 the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officer.

Period Ending		
Period ending	**June 30, 2018**	June 30, 2017
Martin MacKinnon CFO	**$10,962**	$ 9,749

Stock-based compensation expense for the directors and senior officers was $ nil for the period ending June 30, 2018 (nil - June 30, 2017).

5. SUBSEQUENT EVENTS

On July 23, 2018, the Company announce it has signed an Option Agreement, effective July 13, 2018, with Infrastructure Commodities Limited (“InfCom”) to explore and mine the White Rock property located in Yarmouth County, Nova Scotia, approximately 45 km north of the town of Shelburne and about 65 km east of the town of Yarmouth and registered with the Nova Scotia Department of Natural Resources, Registry of Mineral and Petroleum Titles (the “Property”). The Option Agreement gives InfCom the right to explore and mine the Property for Quartz, Kaolin and Mica and refine and produce Quartz, Kaolin and Mica for sale therefrom.

The Option Agreement between Black Bull and InfCom (the "Option Agreement") does not change or otherwise effect the Change of Business Transaction with Black Bull Resources Inc. and Magnetic North Acquisition Corp. The Option Agreement is subject to review and approval of the TSX Venture Exchange

On July 26, 2018, the Company secured an additional non-interest-bearing demand loan of $26,000 from a Director that is due on demand by the Holder or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Fair value: The carrying values of cash and cash equivalents, receivables, payables and accrued liabilities and demand loans approximate their fair values based on their liquidity and short-term nature.

Interest rate risk: The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no interest-bearing debt. The Company believes its interest rate risk is not significant.

Credit risk: The Company is exposed to credit risk from receivables, which is the risk that they will not be received in full when due. Allowances are provided for potential losses that have been incurred at the reporting period date; however, these allowances are $ nil (2017 - $nil) as at June 30, 2018. The carrying amount of receivables on the balance sheet represents the Company's maximum credit exposure at the balance sheet date.

The carrying amount of receivables on the balance sheet is net of allowance for doubtful accounts, estimated by management based on previous experience and its assessment of the current economic environment.

Capital management: The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of debt and equity. The capital structure of the Company consists of shareholders' equity comprising of capital stock, contributed surplus and deficit. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. The Company's capital management objectives are unchanged from the prior period.

Total managed capital was as follows:

		30-Jun-18	Sept 30 2017
Capital Stock	$	**23,588,518**	23,588,518
Contributed Surplus		**2,070,133**	2,070,133
Deficit		**(26,087,209)**	(25,998,436)
	$	**(428,558)**	(339,785)

CORPORATE INFORMATION

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GENERAL INFORMATION

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NEX:BBS.H
(TSXV Exchange)

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CFO

DIRECTORS:

David Crombie
Director
Calgary AB

Chris Every
Director
Cambridge UK

Warren Staude
Director
Australia

David Wood
Director
Surrey, BC

OFFICERS:

Chris Every
President & CEO
Cambridge UK

Martin C. MacKinnon
Chief Financial Officer
Halifax, NS

Black Bull Resources Inc.

MANAGEMENT'S DISCUSSION & ANALYSIS

OF FINANCIAL AND OPERATING RESULTS
(In Canadian dollars)

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51-102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Black Bull Resources Inc.'s ("Black Bull" or the "Company") unaudited condensed interim financial statements for the period ended June 30, 2018, and audited financial statements for year ended September 30, 2017, together with the accompanying notes.

This MD&A is prepared as of August 27, 2018.

Forward Looking Statements

Certain statements contained in the report constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Black Bull or its management, are intended to identify forward-looking statements. Such statements reflect current views of Black Bull with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in mineral prices, fluctuations in currency exchange rates, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

Overall Performance

The focus for Black Bull in Q3 2018 was to continue to reduce its cash burn, and seek strategic options including completing the Proposed Change of Business.

The long-term future of Black Bull is dependent upon maintaining control of its mineral resources until the mineral markets improve. However, there can be no assurances that the steps management is taking will be successful.

Summary of Quarterly Results and Results of Operations

Quarterly Results	2018			2017				2016	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	$	$	$	$	$	$	$	$	$
Income:									
Misc revenue									
Interest (expense) income	234	717	717	718	708	708	728	728	704
Total Revenue	234	717	717	718	708	708	728	728	704
Costs:									
Operations and overhead	9,210	8,293	8,312	26,813	5,949	4,749	4,750	3,613	5,949
Sales & marketing	176	75	140	50	125	125	75	206	151
General & admin.	16,474	32,088	11,928	18,395	32,622	26,229	19,912	24,708	15,365
Amort./depletion	49	49	49	281	-	-	-	1,591	1,591
Impairment			-	-		-	-	42,230	-
Interest on Demand loans			-	32,622					
Total Costs	25,909	40,505	20,430	78,161	38,696	31,103	24,737	72,348	23,056
Loss	(25,675)	(39,788)	(19,713)	(77,443)	(37,988)	(31,595)	(24,009)	(71,620)	(22,352)
Other Items									
Accretion	1,199	1,199	1,199	1,197	1,199	1,199	1,199	30,875	-
Net loss	(26,874)	(40,987)	(20,912)	(78,640)	(39,187)	(32,794)	(25,208)	(102,495)	(22,352)
Net loss per share (basic & diluted)	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.03	0.01

Operating Cash	2018			2017				2016	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	$	$	$	$	$	$	$	$	$
Net loss	(26,874)	(40,987)	(20,912)	(78,640)	(39,187)	(32,794)	(25,208)	(102,495)	(22,352)
Non-cash									
operating items	1,248	1,248	1,248	34,100	1,199	1,199	1,199	73,497	2,790
Net cash loss									
from operations	(25,626)	(39,739)	(19,664)	(44,540)	(37,988)	(31,595)	(24,009)	(28,998)	(19,562)

During Q3 2018, there was no income other than interest income of $234 (Q3 2017- $708) earned on reclamation funds adjusted to reflect actual interest earned. Operations and overhead cost of $9,210 (Q3 2017 - $5,949) in Q3 2018 is comprised of property leases allocation of $4,000 an environmental monitoring fee of $4,182, and property tax allocation $1,029 (Q3 2017 - $1,028), Compared to Q2 2018, operations and overhead cost of $8,293 comprised of property lease allocation charge of $4,000, an annual mineral claim fee of $3,264 and property tax allocation of $1,029.

In Q3 2018 marketing costs were $140 (Q3 2017 - $176) is related to consultant telephone and web hosting.

General & Administrative Costs	Q3 2018	Q2 2018	Q3 2017
	$	$	$
Accounting & Legal Fees	6,779	22,557	25,748
Investor Relations	3,501	4,000	3,465
Office Rent & Telephone	681	523	851
Consulting Fees	4,975	3,962	2,174
Bank and Finance fees	538	1,046	385
	16,474	32,088	32,622

General & Administrative Costs	Q2 2018	Q1 2018	Q2 2017
	$	$	$
Accounting & Legal Fees	22,557	5,000	8,488
Investor Relations	4,000	3,500	6,977
Office Rent & Telephone	523	1,087	377
Consulting Fees	3,962	2,025	3,574
Bank and Finance fees	1,046	316	440
	32,088	11,928	19,855

In Q3 2018, General and Administration cost were $16,474 (Q3 2017 - $32,622). Legal and Accounting included legal fees of $1,779 relating to the Change of Business and an allocation of $5,000 for auditing. Investor Relations were $3,501 similar to the previous quarter (Q3 2018 - $3,465). Consulting fees were $4,975 (Q3 2017 - $2,025), higher due to requirements of the CTO. Compared to Q2 2018 - $32,2088, G&A costs were less primarily due to legal fees related to the Change of Business

Amortization costs were $49 (Q3 2017 nil).

In Q3 2018 other item consist of reclamation accretion of $1,199 (Q3 2017 - $1,199)

During the second quarter of 2018, the Company reported a net loss of $26,874 compared to a net loss of $37,987 in Q3 2017 or $0.01 per share versus $0.01 in Q3 2017. The Company recorded $1,248 ($1,199 in Q3 2017) in non-cash operating items in Q3 2018, resulting in net cash loss from operations of $25,627 compared to a net cash loss from operation of $36,788 in Q3 2017.

Liquidity

As at June 30, 2018, Black Bull had negative working capital of $429,072 (current assets of $364,555 less current liabilities of $775,326). On September 30, 2017 the Company had negative working capital of $340,447.

The estimated cash requirement for the next twelve months is estimated to be $100,000. The Company plans to meet its financial shortfall through raising new funds through convertible debt, and through further reductions through costs controlling costs. The existing lender, David Wood (Zenith Appraisal & Land Consulting Ltd.) has indicated a willingness to provide the necessary working capital to the company pending the completion of the Proposed Change of Business.

Capital Resources

The Company will continue to incur significant operating losses. In response the Company implemented a plan to significantly reduce the Company's working capital requirements. The Company intends to continue with "care and maintenance", which allows the Company to operate into 2018 with minimal operational obligations.

To meet ongoing obligations the company intends to secure non-interest-bearing demand loans, while the Company pursues the proposed change of business.

Proposed Change of Business

On September 21, 2017, the Company announced it has entered into an asset purchase agreement with a group of investment and business professionals to affect an arm's length "Change of Business" transaction (as defined in Policy 5.2 of the TSX Venture Exchange). The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange.

On May 25, 2018, that the Company has signed an amendment to the previously announced Definitive Agreement dated September 19, 2017, with a group of investment and business professionals to effect, an arm's length, Change of Business (the "Transaction") as defined in Policy 5.2 of the TSX Venture Exchange, (the "Exchange" or "TSXV"). The Transaction which, is subject to regulatory and final closing conditions, will see Black Bull transition from a Resource Issuer to an Investment Issuer within the meaning of such terms as defined in the policies of the TSXV.

Transactions with Related Parties

Included in accounts payable and demand loans are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company.

Demand Loans		
	June 30, 2018	June 30, 2017
David Wood (Zenith Appraisal & Land Consulting Ltd.)	**$ 325,024**	$ 247,429

In addition to the demand loans indicated above David Wood (Zenith Appraisal al & Land Consulting Ltd.) advanced funds on July 26, 2018 under a promissory note in the amount of $26,000. The loan is non-interest bearing due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

Included in accounts payable are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company

	Period ending	Period ending
	June 30, 2018	June 30, 2017
Martin MacKinnon CFO	$799	$775

For the periods ending June 30, 2018 and June 30, 2017 the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to administrative fees were charged by companies controlled by a director and senior officer.

Period Ending		
Period ending	**June 30, 2018**	June 30, 2017
Martin MacKinnon CFO	**$10,962**	$ 9,749

Stock-based compensation expense for the directors and senior officers was $ nil for the period ending June 30, 2018.

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Critical Accounting Estimates

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates are based upon management's historical experience and various other assumptions that are believed by management to be reasonable under the circumstances. Such assumptions and estimates are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Management believes the following critical accounting policies affect its more significant estimates and assumptions used in the preparation of its financial statements.

Mineral properties and deferred costs

The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a units-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof.

Property, Plant and Equipment

Property, plant and equipment represent significant assets of the Company. Depreciation and amortization are recorded on either a declining-balance (DB) or straight-line (SL) basis. Management of the Company reviews and evaluates the carrying value of major assets for impairment each reporting period and when events or changes in circumstances indicate that the carrying amounts of the related asset may no longer represent their economic value.

Other estimates

The Company also makes estimates for doubtful accounts, income taxes, stock-based compensation and asset retirement obligations.

Management estimates the collectability of the Company's receivables based on historical experience, age of the receivables, the specific customers indebted to the Company and general market conditions. Based on these factors, management determines an appropriate amount to be provided as an allowance for doubtful accounts.

In the calculation of income taxes, management will recognize a future income tax asset for all deductible temporary differences, unused tax losses and income tax reductions, and then review the asset to estimate whether a portion or all of it will be realized. The future income tax valuation allowance is estimated so as to be sufficient to reduce the asset to the amount that is more likely than not to be realized.

The Company records compensation expense for stock options using the fair value method. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. To apply this application assumptions are made regarding the following factors; risk free interest rate, stock volatility, expected life and expected dividend yield. Management determines these factors based on current market conditions and other information available on the date of the grant.

The Company also uses estimates in recognizing the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates or timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Other MD&A Disclosures

For the period ending June 30, 2018, no options were granted and no (June 30, 2017 – nil) options expired.

Outstanding Securities	**Period Ending June 30, 2018**	**August 27, 2018**
Common Shares	3,552,287	3,552,287
Options - (Exercisable to one Common Share)	nil	nil
Total Outstanding Securities	3,552,287	3,552,287

Risks and Uncertainties

Mineral exploration and development involves a high degree of risk since few properties are developed into producing mines. There are no assurances that the Company's mineral exploration activities will result in further resources that would be economical for commercial production. The commercial viability of mineral deposits is dependent upon a number of factors beyond the Company's control. Some of these factors are attributable to commodity or product pricing and demand, competitive products, currency fluctuations, government policy and regulation, transportation, and environmental protection.

Resource estimates involve degrees of uncertainty in calculation of reserves and the corresponding grades. Resource estimates are dependent partially on statistical inferences drawn from drilling, sampling, and other data. The indicated and inferred resource figures set forth by the Company are estimates, and there is no certainty that the level of resources will be realized, or the chemical composition or concentration of the resources will be maintained throughout the property. In addition, a decline in the market price of industrial minerals, or a substantial increase in production or shipping costs, may adversely affect the economics of a reserve and may require the Company to reduce its estimates.

Transportation is a critical part of the Company's success. It is imperative that Black Bull provide cost-effective transportation solutions to customers.

Like many Canadian companies many do business in the USA, Black Bull is affected by fluctuations in currency exchange rates. Most of the Company's sales, including freight charges, will be denominated in US dollars. The Company has some natural hedges with US dollar-based expenses; however, there will be instances when there is exposure to exchange risks. These risks are considered when management sets product pricing and makes hedging decisions.

Maintaining sufficient cash resources to finance a start-up operation is difficult. Debt financing is usually based on positive cash flows and a significant customer base. Many junior resource companies experience difficulties obtaining debt financing and must rely on other sources such as market equity, mezzanine financing, and/or government programs.

Black Bull's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on improvement in mineral prices, improvement in sales volumes, and its ability to fund future development programs, and to manage and generate positive cash flows from operations in the future. The Company's financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

The Company has assessed whether the amounts recorded for mineral claims and deferred costs have suffered any impairment by considering resource estimates, future processing capacity, anticipated sales, and the longer-term price estimates for minerals. Management's estimates of these factors are subject to risk and uncertainties, affecting the recoverability of the recorded amounts for mineral claims and deferred costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets.

Subsequent Event

On July 23, 2018, the Company announce it has signed an Option Agreement, effective July 13, 2018, with Infrastructure Commodities Limited ("InfCom") to explore and mine the White Rock property located in Yarmouth County, Nova Scotia, approximately 45 km north of the town of Shelburne and about 65 km east of the town of Yarmouth and registered with the Nova Scotia Department of Natural Resources, Registry of Mineral and Petroleum Titles (the "Property"). The Option Agreement gives InfCom the right to explore and mine the Property for Quartz, Kaolin and Mica and refine and produce Quartz, Kaolin and Mica for sale therefrom.

The Option Agreement between Black Bull and InfCom (the "Option Agreement") does not change or otherwise effect the Change of Business Transaction with Black Bull Resources Inc. and Magnetic North Acquisition Corp. The Option Agreement is subject to review and approval of the TSX Venture Exchange.

On July 26, 2018, the Company secured an additional non-interest-bearing demand loan of $26,000 from a Director that is due on demand by the Holder or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website at www.blackbullresources.com.