



CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in United States dollars)

For the period from incorporation on
February 24, 2017 to March 31, 2017

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONSOLIDATED INTERIM FINANCIAL REPORTING

The accompanying consolidated interim financial statements of Mason Resources Corp. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Mason Resources Corp.
Consolidated Statement of Financial Position

As at March 31, 2017

(Unaudited - expressed in U.S. dollars)

	March 31, 2017
Assets	
Cash	\$ 1,000
Total assets	\$ 1,000
Shareholders' equity	
Share capital (Note 1)	\$ 1,000
Total shareholders' equity	\$ 1,000

Nature of operations and going concern (Note 1)

Subsequent events (Note 4)

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

Mason Resources Corp.

Notes to the Consolidated Interim Financial Statements

For the period from incorporation on February 24, 2017 to March 31, 2017

(Unaudited - expressed in U.S. dollars)

1 Nature of operations and going concern

Mason Resources Corp. (the “Company” or “Mason”) was incorporated on February 24, 2017 under the *Business Corporations Act* (British Columbia) as part of a plan of arrangement (the “Arrangement”) to reorganize Entrée Resources Ltd. (formerly Entrée Gold Inc. – “Entrée”). The Company’s intended business activity is the exploration and development of mineral properties in the United States. As at March 31, 2017, the Company has not commenced operations. The Company’s head office is located at 1201-1166 Alberni Street, Vancouver, BC, V6E 3Z3, Canada.

On May 9, 2017, Mason and Entrée completed the Arrangement as described in Note 4. As part of the Arrangement, Entrée transferred to Mason all of the issued and outstanding shares of Entrée’s wholly owned British Columbia subsidiary Entrée U.S. Holdings Inc. (now Mason U.S. Holdings Inc.), which indirectly owns the Ann Mason copper-molybdenum project in Nevada and the Lordsburg copper-gold project in New Mexico. The completion of the Arrangement established Mason as a stand-alone company spun off from Entrée. On May 9, 2017, Mason became a reporting issuer in each of the provinces of Canada excluding Quebec. The common shares of Mason commenced trading on the Toronto Stock Exchange (“TSX”) at opening on May 12, 2017 under the symbol “MNR”.

2 Significant accounting policies

Basis of preparation and measurement

The Company prepares its consolidated interim financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are recognized at fair value. Separate Statements of Comprehensive Income, Changes in Shareholders’ Equity and Cash Flows have not been presented as there have been no activities for the entity.

The consolidated interim financial statements were approved and authorized for filing by the Audit Committee of the Board of Directors on May 16, 2017.

Principles of consolidation

These consolidated interim financial statements include the accounts of the Company. The Company will consolidate its significant subsidiaries upon the closing of the Arrangement (Note 4).

Wholly owned subsidiaries are entities in which the Company has direct or indirect control, where control is defined as the investor’s power over an investee with exposure, or rights, to variable returns from the investee and the ability to affect the investor’s returns through its power over the investee. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intercompany transactions and balances have been eliminated on consolidation.

Financial instruments

The Company’s financial instruments consist of cash. The fair value of the Company’s cash is measured using Level 1 inputs.

The Company is exposed to various financial instrument risk and management assesses the impact and likelihood of this exposure. These risks include liquidity risk, foreign currency risk, credit risk, interest rate risk and market risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Mason Resources Corp.

Notes to the Consolidated Interim Financial Statements

For the period from incorporation on February 24, 2017 to March 31, 2017

(Unaudited - expressed in U.S. dollars)

3 Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value. Upon incorporation on February 24, 2017, the Company issued one thousand shares to Entrée.

4 Subsequent events

On May 9, 2017, Mason and Entrée completed a strategic reorganization of Entrée's business through a statutory plan of arrangement (the "Plan of Arrangement") under Section 288 of the *Business Corporations Act* (British Columbia). Pursuant to the Arrangement, shareholders of Entrée received common shares of Mason by way of a share exchange, in proportion to their shareholdings in Entrée.

Under the Arrangement, each existing share of Entrée was exchanged for one "new" share of Entrée and 0.45 of a Mason common share. Optionholders and warrant holders of Entrée will receive replacement options and warrants of Entrée and options and warrants of Mason which are proportionate to, and reflective of the terms of, their existing options and warrants of Entrée. The exercise prices of the warrants and options will be determined in accordance with the Plan of Arrangement. The Plan of Arrangement was approved by the Supreme Court of British Columbia and by Entrée shareholders, as well as Entrée shareholders, optionholders and warrant holders voting together as a single class. At the Annual and Special Meeting of Entrée securityholders held on May 1, 2017, Entrée shareholders also approved a Stock Option Plan for Mason.

Subsequent to the completion of the Arrangement, Mason holds the Ann Mason copper-molybdenum project in Nevada and the Lordsburg copper-gold property in New Mexico as well as approximately \$8.75 million in cash. The Company has 77,805,775 common shares issued and outstanding, and 4,169,117 common share purchase warrants and 3,708,000 stock options will be issued in connection with the Plan of Arrangement.

On May 9, 2017, Mason entered into an Administrative Services Agreement with Entrée, pursuant to which Entrée will provide office space, furnishings and equipment, communications facilities and personnel necessary for Mason to fulfill its basic day-to-day head office and executive responsibilities on a pro-rata cost-recovery basis.