

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Aim Exploration Inc.

Form: 10-Q

Date Filed: 2018-05-30

Corporate Issuer CIK: 1545232

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **February 28, 2018**

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission File Number: **333-182071**



AIM EXPLORATION INC.

(Name of Small Business Issuer in its charter)

Nevada

(state or other jurisdiction of incorporation or organization)

67-0682135

(I.R.S. Employer I.D. No.)

**170 S Green Valley Pkwy, Suite 300
Henderson, Nevada**

(Address of principal executive offices)

89012

(Zip Code)

(844) 246-7378

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes
No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of **May 24, 2018**, the registrant had **1,154,375,275** shares of common stock issued and outstanding and **100,000** shares of preferred stock issued and outstanding.

AIM EXPLORATION INC.

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1.	Financial Statements (unaudited)	3
	Condensed Consolidated Balance Sheets	F-1
	Condensed Consolidated Statements of Operations	F-2
	Condensed Consolidated Statements of Cash Flows	F-3
	Notes to Condensed Consolidated Financial Statements	F-4
Item 2.	Management Discussion & Analysis of Financial Condition and Results of Operations	4
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	5
Item 4.	Controls and Procedures	6

PART II - OTHER INFORMATION

Item 1.	Legal Proceedings	6
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	7
Item 3.	Defaults Upon Senior Securities	7
Item 4.	Mine Safety Disclosures	7
Item 5.	Other information	7
Item 6.	Exhibits	8

ITEM 1. FINANCIAL STATEMENTS

AIM EXPLORATION INC.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2018
(Unaudited)

Condensed Consolidated Balance Sheets of February 28, 2018 (Unaudited) and August 31, 2017

Condensed Consolidated Statements of Operations for the 3 and 6 months ended February 28, 2018 & 2017 (Unaudited)

Condensed Consolidated Statements of Cash Flows for the 6 months ended February 28, 2018 & 2017 (Unaudited)

Notes to the Condensed Consolidated Financial Statements (Amended) (Unaudited)

AIM EXPLORATION INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS	Feb 28, 2018	Aug 31, 2017
CURRENT ASSETS		
Cash	\$ 5,369	\$ 802
Prepaid deposits and services – Note 4	27,500	11,340
Total Current Assets	32,869	12,142
Mineral property – Note 5	804,656	804,656
TOTAL ASSETS	\$ 837,525	\$ 816,798
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities – Note 6	\$ 318,669	\$ 319,878
Loans payable – Note 7	25,650	44,270
Loans payable – related party – Note 8	601,748	557,576
Convertible note, net of unamortized discount – Note 9	654,749	634,555
Derivative liability – Note 10	674,745	729,180
TOTAL LIABILITIES	2,275,561	2,285,459
STOCKHOLDERS' DEFICIT		
Capital Stock Authorized		
1,000,000 shares of preferred stock, \$0.001 par value		
Issued and outstanding 100,000 shares (100,000 as at August 31, 2017) – Note 11	100	100
1,500,000,000 shares of common stock, \$0.001 par value issued and outstanding 1,134,375,275 shares (724,370,720 shares outstanding as at August 31, 2017) – Note 11	1,257,589	847,585
Additional paid in capital	2,603,484	2,451,570
Shares receivable	(5,090)	(5,090)
Accumulated deficit	(5,294,119)	(4,762,826)
TOTAL STOCKHOLDERS' DEFICIT	(1,438,036)	(1,468,661)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 837,525	\$ 816,798

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

AIM EXPLORATION INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	6 months ended February 28, 2018	6 months ended February 29, 2017	3 months ended February 28, 2018	3 months ended February 29, 2017
REVENUE				
Total Revenue	\$ -	\$ -	\$ -	\$ -
Gross Profit	-	-	-	-
MINERAL PROPERTY OPERATIONS				
Acquisition	-	-	-	-
Exploration	3,636	-	-	-
Total Mineral Property Operations	<u>3,636</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES				
Accretion	236,527	45,001	157,543	4,591
Consulting fees	29,171	33,527	16,380	20,993
Filling fees	1,436	7,540	-	5,110
Office & general	25,332	20,569	14,820	9,174
Professional fees	42,389	33,644	10,280	26,521
Public relations	-	44,630	-	22,192
Related party – director’s fees	-	388,833	-	-
Related party – management fees	105,000	90,000	52,500	45,000
Total Expenses	<u>439,855</u>	<u>663,744</u>	<u>251,523</u>	<u>133,581</u>
Loss from operations	(443,491)	(663,744)	(251,523)	(133,581)
Interest expense	(31,145)	(38,958)	(16,269)	(25,512)
Finance costs	(105,914)	-	(75,347)	-
Related party – loss on settlement of debt	-	(660,000)	-	(660,000)
Unrealized foreign exchange loss	(3,653)	(61,636)	664	(165)
Gain (loss) on derivative liability	52,910	9,783	(24,630)	4,856
Total Other Expense	<u>(87,802)</u>	<u>(750,811)</u>	<u>(115,582)</u>	<u>(680,821)</u>
Net Loss	<u>\$ (531,293)</u>	<u>\$ (1,414,555)</u>	<u>\$ (367,105)</u>	<u>\$ (814,402)</u>
BASIC AND DILUTED LOSS PER COMMON SHARE	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>849,383,217</u>	<u>566,864,128</u>	<u>975,647,990</u>	<u>659,839,459</u>
WEIGHTED AVERAGE NUMBER OF PREFERRED SHARES OUTSTANDING	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

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

AIM EXPLORATION INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	6 months ended February 28, 2018	6 months ended February 29, 2017
OPERATING ACTIVITIES		
Net Loss	\$ (531,293)	\$ (1,414,555)
Accretion related to convertible note	236,527	45,001
Finance costs and derivative expense	134,059	38,958
Change in fair value of derivative liability	(52,910)	(9,783)
Related party – loss on repayment of debt	-	660,000
Shares issued for services	-	535,832
Adjustments to reconcile Net Loss to net cash used in operating activities:		
Prepaid deposits and services	(16,160)	2,077
Accounts Payable	(1,209)	72,291
NET CASH USED IN OPERATING ACTIVITIES	(230,986)	(70,179)
FINANCING ACTIVITIES		
Convertible debt	210,000	-
Loans payable	(18,620)	29,000
Loans from related party	44,173	41,819
NET CASH PROVIDED BY FINANCING ACTIVITIES	235,553	70,819
NET (DECREASE) INCREASE IN CASH	4,567	640
CASH, BEGINNING OF PERIOD	802	417
CASH, END OF PERIOD	\$ 5,369	\$ 1,057

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

AIM EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2018 (unaudited)

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Aim Exploration, Inc. ("Company") was organized to engage in mineral exploration. The Company was incorporated on February 18, 2010 in the State of Nevada and established a fiscal year end at August 31.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The condensed consolidated financial statements present the condensed consolidated balance sheets, condensed consolidated statements of operations and condensed consolidated cash flows of the Company. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States.

Principles of Consolidation

The condensed consolidated statements incorporate the financial statements of the Company and its wholly-owned subsidiary, Aim Exploration SA, of Peru. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the condensed consolidated statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Functional Currency

The condensed consolidated financial statements are presented in United States dollars, which is also the functional and reporting currency of the Company. The functional currency of its subsidiary is the Peruvian Nuevos Sol. Monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the average exchange rate for the period. Foreign currency gains and losses are included in the determination of net income or loss.

Advertising

Advertising costs are expensed as incurred. As of February 28, 2018, no advertising costs have been incurred.

Property

The Company does not own or rent any property. The Company's office space is being provided by the president at no charge to the Company.

Use of Estimates and Assumptions

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Company follows the liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

AIM EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2018 (unaudited)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

The Company has adopted Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10"). ASC 820-10 defines fair value, establishes a framework for measuring fair value and enhances fair value measurement disclosure. The adoption of ASC 820-10 requires that the Company disclose assets and liabilities that are recognized and measured at fair value on a non-recurring basis, presented in a three-tier fair value hierarchy, as follows:

- Level 1. Observable inputs such as quoted prices in active markets;
- Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following presents the gross value of assets that were measured and recognized at fair value:

	Assets	Liabilities
Level 1	\$ 5,369	\$ 1,600,816
Level 2	\$ 832,156	\$ 674,745
Level 3	\$ Nil	\$ Nil

The Company adopted ASC 825-10, Financial Instruments, which permits entities to choose to measure many financial instruments and certain other items at fair value. The adoption of this standard did not have an impact on the Company's financial position, results of operations or cash flows. The carrying value of cash and cash equivalents, accounts payable and accrued expenses, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments.

Derivative Liability

The conversion features embedded in the outstanding convertible notes payable are separately accounted for as a derivative liability in accordance with ASC 815-15, Embedded Derivative. This is because the number of shares that may be acquired upon conversion is indeterminable as the conversion rates are expressed as a percentage discount to the current fair market value of common stock at the time of conversion. Derivative liabilities are valued when the host instruments (convertible notes) are initially issued and are also revalued at each reporting date, with the change in the respective fair values being recorded as a gain or loss to the derivative liability.

Net Loss per Share

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities, the accompanying presentation is only of basic loss per share.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for recoverability in accordance with ASC 360, Property Plant and Equipment. Under that standard, the Company reviews the recoverability of its long-lived assets or asset groups when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life.

AIM EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

February 28, 2018 (unaudited)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Impairment of Long-Lived Assets (Continued)**

Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value. The Company conducts a review for each reported period and determines whether any triggering events are indicated.

Mineral Property Costs

Once the legal right to explore a property has been acquired, the Company capitalized all costs related to mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs, net of any recoveries. Property acquisition costs include cash costs and the fair market value of issued shares and other share-based payments, paid under option or joint interest agreements. Payment terms are at the sole discretion of the Company and are recorded as acquisition costs upon payment. The Company has capitalized \$804,656 of mineral property acquisition costs reflecting its investment in its properties. To date, the Company has not established any proven or probable reserves on its mineral properties.

Stock-based Compensation

The Company adopted FASB guidance on stock based compensation upon inception at February 18, 2010. ASC 718-10-30-2 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The Company has not had any stock and stock options issued for services and compensation for the period from inception (February 18, 2010) through February 28, 2018.

Recent Accounting Pronouncements

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

NOTE 3 – GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Currently, the Company has a working capital deficit of \$2,242,692, an accumulated deficit of \$5,294,119 and net loss from operations since inception of \$5,294,119. The Company does not have a source of revenue sufficient to cover its operation costs giving substantial doubt for it to continue as a going concern. The Company will be dependent upon the raising of additional capital through placement of our common stock in order to implement its business plan, or merging with an operating company. There can be no assurance that the Company will be successful in either situation in order to continue as a going concern. The Company is funding its initial operations by way of issuing common shares.

The officers and directors have committed to advancing certain costs of the Company, including Legal, Audit, Transfer Agency and Edgarizing costs.

NOTE 4 – PREPAID DEPOSITS AND SERVICES

	February 28, 2018	August 31, 2017
Prepaid services	\$ -	\$ 6,164
Prepaid deposits	27,500	5,176
	\$ 27,500	\$ 11,340

AIM EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2018 (unaudited)

NOTE 5 – MINERAL PROPERTY

On June 23, 2014, Aim Exploration, Inc. entered into a Mining Concession Asset Acquisition Agreement (the "Agreement") with Percana Mining Corp. ("Percana"). Pursuant to the Agreement, the Company acquired three separate mining concessions. The concession titles are unencumbered and comprise of three separate adjoining mining concession two concessions representing 40% are known as El Tunel Del Tiempo 1 code 11060780 and El Tunel Del Tiempo 2 code 11060781, and the third concession property is known as Agujeros Negros MAAG comprising the remaining 60%, all of which are registered to the Company.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 28, 2018	August 31, 2017
Accounts payable	\$ 311,389	\$ 311,598
Accrued liabilities	7,280	8,280
	<u>\$ 318,669</u>	<u>\$ 319,878</u>

NOTE 7 – LOANS PAYABLE

During the six months ended February 28, 2018, the Company issued unsecured, non-interest bearing loans of \$7,000 (February 29, 2017: \$127,350) and repaid loans of \$25,620 (February 29, 2017: \$Nil).

NOTE 8 – LOAN PAYABLE – RELATED PARTY

During the period ended February 28, 2018, a director of the Company advanced \$7,655 (February 29, 2017: \$38,297). The amounts are unsecured, non-interest bearing and are due on demand. During the same period, the Company made repayments of \$68,484 to a director (February 29, 2017: \$86,500). Nil common shares (February 29, 2017: 34,285,739 common shares) were issued to repay \$ Nil of this amount (February 29, 2017: \$72,000). (Note 11)

During the period ended February 28, 2018, the Company made repayments to related parties, issuing Nil common shares (February 29, 2017: 189,600,000 common shares) of the Company with a fair value of \$ Nil (February 29, 2017: \$221,440). During the period ended February 28, 2018, management fees totaling \$105,000 were accrued as payable to directors and officers of the Company (February 29, 2017: \$ 90,000). During the period ended February 28, 2018, the Company issued Nil common shares (February 29, 2017: 219,444,444 common shares to directors in compensation for their services totaling \$Nil (February 29, 2017: \$460,833).

As at February 28, 2018, the Company owed related party loans of \$ 601,748 (August 31, 2017: \$557,576).

NOTE 9 – CONVERTIBLE NOTE

During the six months ended February 28, 2018, the Company issued convertible notes with a principal balance of \$210,000, with maturity dates between March 11, 2018 and November 15, 2018, and interest rates per annum of 8% - 22%. The principal is convertible into shares of the Company at a conversion rate equal to 61% of the lowest trading price of the Company's common stock for the fifteen prior trading days, as defined in the agreements.

During the six months ended February 28, 2018, 410,004,555 common shares were issued in relation to conversion options exercised during the period, which reduced the convertible debt by \$194,088.

The following convertible notes were outstanding as at February 28, 2018 and August 31, 2017:

	February 28, 2018	August 31, 2017
Note balance	\$ 627,153	\$ 586,512
Debt discounts	(98,717)	(64,917)
Accrued interest	126,313	112,959
	<u>\$ 654,749</u>	<u>\$ 634,554</u>

AIM EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2018 (unaudited)

NOTE 10 – DERIVATIVE LIABILITY

An embedded derivative has been bifurcated and accounted for separately from the debt host. Accordingly, the Company recorded the estimated derivative as a liability upon issuance of the convertible notes. The derivative liability was recorded by reducing the carrying value of the convertible notes. The fair value of the embedded derivative fluctuates with the fair value of the Company's common stock, which is calculated each quarter using the Black-Scholes valuation model.

During the period ended February 28, 2018, the Company recognized change in fair value of the derivative liability of \$52,910 related to the change in fair value of the conversion feature. The change in fair value of the conversion feature was recorded through operating results.

NOTE 11 – CAPITAL STOCK

On April 25, 2016, the Company consolidated its share capital on a 250:1 basis. All common shares and per share amounts have been restated to reflect this share consolidation.

The Company has authorized 250,000,000 shares of common stock with a par value of \$0.001 per share and 1,000,000 shares of preferred stock with a par value of \$0.001 per share.

At February 28, 2018, 1,134,375,275 shares of common stock were issued and outstanding, and 100,000 shares of preferred stock were issued and outstanding.

Six months ended February 28, 2018

During the six months ended February 28, 2018, the Company issued 410,004,555 common shares pursuant to the exercise of the option attached to outstanding convertible notes.

Year ended August 31, 2017

On September 14, 2016, the Company issued an additional 220,000,000 to Percana to bring their post-consolidation shareholdings to 235,750,000 common shares. The value of these additional shares is \$462,000 which is based on fair market value. These shares were issued in connection with the acquisition of certain mining property. (Note 4)

During the year ended August 31, 2017, the Company issued 27,305,206 common shares pursuant to the exercise of the option attached to outstanding convertible notes and 400,000 common shares pursuant to the exercise of the option attached to outstanding related party convertible notes.

During the year ended August 31, 2017, the Company issued 25,000,000 common shares in connection with services rendered. Such services had a fair value of \$75,000.

During the year ended August 31, 2017, the Company issued 219,444,444 common shares in connection with director's compensation. Such services had a fair value of \$395,000. Of this amount \$323,000 was expensed during the current period and \$72,000 reduced an amount due to a related party.

During the year ended August 31, 2017, the Company issued 206,505,000 common shares in connection with paying down \$206,505 of debt to a related party.

During the year ended August 31, 2017, the Company issued 3,343,341 common shares in connection with a private placement offering. The common shares were issued at a fair value of \$0.03 per share for gross proceeds of \$99,700.

AIM EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2018 (unaudited)

NOTE 11 – CAPITAL STOCK (CONTINUED)

Share purchase warrants

As at February 28, 2018, the following share purchase warrants issued in connection with convertible notes were outstanding:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATES
9,258,535	\$ 0.0052	September 11, 2022
6,091,617	\$ 0.0047	September 22, 2022
5,611,672	\$ 0.0047	October 27, 2022
20,576,130	\$ 0.0018	December 12, 2022
13,227,512	\$ 0.0013	January 30, 2023
14,244,872	\$ 0.0016	February 27, 2023
69,010,338		

A summary of the changes in warrants for the period ended February 28, 2018 and year ended August 31, 2017 is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, August 31, 2016 and 2017	-	-	-
Issued	69,010,338	\$ 0.0026	4.79 years
Balance, February 28, 2018	69,010,338		4.79 years

NOTE 12 – LOSS PER SHARE

The Company calculates the basic and diluted loss per common share using the weighted average number of common shares outstanding during each period. To compute diluted earnings per share, the average number of shares outstanding is adjusted for the number of potentially dilutive shares.

	SIX MONTHS ENDED FEBRUARY 28,	
	2018	2017
Issued shares beginning of year	724,370,720	22,392,729
Weighted average issuances	125,012,497	544,471,399
Basic weighted average common shares, end of year	849,383,217	566,864,128

NOTE 13 – SUBSEQUENT EVENTS

- Subsequent to February 28, 2018, the Company issued 20,000,000 common shares pursuant to the exercise of options attached to outstanding convertible notes.
- Subsequent to February 28, 2018, the Company issued convertible notes with a principal balance of \$40,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Safe Harbor Statement

This report on Form 10-Q contains certain forward-looking statements. All statements other than statements of historical fact are "forward-looking statements" for purposes of these provisions, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operation; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; statements of belief; and any statement of assumptions underlying any of the foregoing. Such forward-looking statements are subject to inherent risks and uncertainties, and actual results could differ materially from those anticipated by the forward-looking statements.

These forward-looking statements involve significant risks and uncertainties, including, but not limited to, the following: competition, promotional costs, and risk of declining revenues. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of a number of factors. These forward-looking statements are made as of the date of this filing, and we assume no obligation to update such forward-looking statements. The following discusses our financial condition and results of operations based upon our financial statements which have been prepared in conformity with accounting principles generally accepted in the United States. It should be read in conjunction with our financial statements and the notes thereto included elsewhere herein.

The following discussion should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this Form 10-Q. The discussions of results, causes and trends should not be construed to imply any conclusion that these results or trends will necessarily continue into the future.

Results of Operation

Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation.

We expect we will require additional capital to meet our long term operating requirements. We expect to raise additional capital through, among other things, the sale of equity or debt securities.

Results of Operations for the Six Months Ended February 28, 2018 Compared to the Same Period in 2017

No Revenues

Since our inception on February 18, 2010 to February 28, 2018, we have not yet earned any revenues. As of February 28, 2018, we have an accumulated deficit of \$5,294,119. At this time, our ability to generate any significant revenues continues to be uncertain.

Net Loss

We incurred a net loss of \$531,293 for the six months ended February 28, 2018 compared to our net loss of \$1,414,555 for the six months ended February 29, 2017. The decrease in net loss was mainly due to decrease director's fees and public relations costs. Since February 18, 2010 (date of inception) to February 28, 2018, we have incurred a net loss of \$5,294,119.

Expenses

Our total operating expenses for the six months ended February 28, 2018 were \$443,491 compared to \$663,744, for the same period in 2017. Our consulting fees decreased by \$4,356 from \$33,527 to \$29,171 for the six months ended February 28, 2018. Director's fees paid to related parties decreased by \$388,833 from \$388,833 to \$Nil for the six months ended February 28, 2018. Filing fees decreased by \$6,104 from \$7,540 to \$1,436 for the six months ended February 28, 2018. Management fees paid to related parties increased by \$15,000 from \$90,000 to \$105,000 for the six months ended February 28, 2018. Office and general costs consisting of bank charges, travel, meals and entertainment, office maintenance, communications (cellular, internet, fax and telephone), courier, postage costs and office supplies, increased by \$4,763 from \$20,569 to \$25,332 for the six months ended February 28, 2018. Professional fees increased by \$8,745 from \$33,644 to \$42,389 for the six months ended February 28, 2018. Public relation costs decreased by \$44,630 from \$44,630 to \$Nil for the six months ended February 28, 2018.

In addition, we incurred costs related to the convertible notes issued and outstanding during the comparable periods. Interest expense relating to such notes decreased by \$7,813 from \$38,958 for the six months ended February 29, 2017 to \$31,145 for the six months ended February 28, 2018. Accretion increased by \$191,526 from \$45,001 to \$236,527 for the six months ended February 28, 2018. Finance costs increased by \$105,914 from \$Nil to \$105,914 for the six months ended February 28, 2018. A change in the fair value of the derivative liability in the amount of \$52,910 was recognized during the six months ended February 28, 2018 compared to a change of \$9,783 during the six months ended February 28, 2018.

Liquidity and Capital Resources

Six Month Period Ended February 28, 2018

As at February 28, 2018, our total assets were \$837,525 compared to \$816,798 in total assets at August 31, 2017. As at February 28, 2018, our current liabilities were \$2,275,561 compared to \$2,285,459 in current liabilities at August 31, 2017; these liabilities were comprised of accounts payable and accrued liabilities of \$318,669 (August 31, 2017: \$319,878), loans payable of \$25,650 (August 31, 2017: \$44,270), loans from related party of \$601,748 (August 31, 2017: \$557,576), convertible notes, net of unamortized discount of \$654,749 (August 31, 2017: \$634,555) and a derivative liability of \$674,745 (August 31, 2017: \$729,180). Stockholders' deficit was \$1,438,036 as of February 28, 2018, compared to stockholders' deficit of \$1,468,661 as of August 31, 2017.

Cash Flows from Operating Activities

We have not generated positive cash flows from operating activities. For the six month period ended February 28, 2018, net cash flows used by operating activities was \$230,986, compared to \$70,179 provided by the same period in 2017.

Cash Flows from Financing Activities

We have financed our operations primarily from either advancements, convertible notes or the issuance of equity. For the six month period ended February 28, 2018, net cash provided by financing activities was \$235,553, compared to \$70,819 in the same period in 2017.

Plan of Operation

Our plan of operation for the next twelve months is to grow our business through the exploration of our current properties and additional properties that we acquire.

Going Concern

Our independent auditors' review report accompanying our August 31, 2017 financial statements contained an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. The financial statements have been prepared "assuming that we will continue as a going concern," which contemplates that we will realize our assets and satisfy our liabilities and commitments in the ordinary course of business.

Inflation

The amounts presented in the financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

Off-Balance Sheet Arrangements

As of February 28, 2018, we had no off-balance sheet transactions that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Management's Report on Internal Control over Financial Reporting.

Our internal control over financial reporting is a process that, under the supervision of and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, was designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our trustees; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that our controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As management, it is our responsibility to establish and maintain adequate internal control over financial reporting. As of February 28, 2018, under the supervision and with participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our internal control over financial reporting using criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our evaluation, we concluded that the Company maintained ineffective internal control over financial reporting as of February 28, 2018, based on criteria established in the Internal Control Integrated Framework issued by the COSO.

This quarterly report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this quarterly report.

Evaluation of disclosure controls and procedures.

As of February 28, 2018, the Company's chief executive officer and chief financial officer conducted an evaluation regarding the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act). Based upon the evaluation of these controls and procedures, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of the date of filing this quarterly report applicable for the period covered by this report.

Changes in internal controls.

During the period covered by this report, no changes occurred in our internal control over financial reporting that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

A company called Tarpon Bay commenced legal action with the company as at August 30, 2016 claiming the company owed them \$78,678. The company is disputing the claim and it is currently in the hands of the courts. This relates to the S-1 registration statement that became effective June 1, 2015. The S-1 that was registered in the name of Southridge Capital and the amount of the claim represents the "standby fee". In view of the fact that the equity line of credit with Southridge Capital was completed wrong and could not be utilized technically Southridge or Tarpon Bay was not on "standby". The S-1 registration statement was approved by Southridge (Tarpon Bay) in-house legal department prior to submitting to the SEC for registration." There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest. On April 11, 2017, Tarpon Bay dismissed the action without prejudice.

A company called LG Capital Finance commenced legal action with the Company as at December 22, 2016.

On December 22, 2016, LG Capital Finance filed a complaint with the United States District Court, Southern District of New York (Case No: 17-cv-3118) against the company. In the complaint, LG Capital Finance indicated that on June 5, 2015, the company entered into a Securities Purchase Agreement (the "June 15, 2015 SPA") and the company issued LG a 8% Convertible Note in the principal amount of \$57,875 ("the June 5 Note"). In the complaint LG seeks damages for breach of contract, unjust enrichment and legal fees. On August 14, 2017, the company made a motion to dismiss the case and to declare the note void under New York's criminal usury statute for charging a rate of interest exceeding 25%. The penalty in New York for charging a criminally usurious rate of interest is forfeiture of the loans principal and interest pursuant to NY's Gen. Oblig. Law 5-511. The motion to dismiss has been fully briefed and is awaiting the court's decision.

On April 16, 2017, Adar Bays, LLC filed an amended complaint with the United States District Court, Southern District of New York (Case No: 17-cv-1290) against the Company, in the complaint, Adar Bays indicated that (i) on November 6, 2014, the Company and Adar Bays entered into a Securities Purchase Agreement ("the November 6, SPA") and the Company issued Adar Bays an 8% Convertible Note in the principal amount of \$45,000.00 (the November 6, 2014 Note"). In the complaint Adar Bays seeks damages for breach of contract, unjust enrichment and legal fees. On August 25, 2017, the company made a motion to dismiss the case and to declare the note void under New York's criminal usury statute for charging a rate of interest exceeding 25%. The penalty in New York for charging a criminally usurious rate of interest is forfeiture of the loans principal and interest pursuant to NY's Gen. Oblig. Law 5-511. The motion to dismiss has been fully briefed and is awaiting the court's decision.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits

Exhibit Number	Exhibit Description
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14 or 15d-14 of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer Pursuant to Rule 13a-14 or 15d-14 of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on our behalf by the undersigned thereunto duly authorized.

SIGNATURE	CAPACITY IN WHICH SIGNED	DATE
<u>/s/ James Robert Todhunter</u> James Robert Todhunter	President, Chief Executive Officer	May 24, 2018
<u>/s/ Gregorio Formoso</u> Gregorio Formoso	Secretary, Treasurer, Principal Accounting Officer, Principal Financial Officer and Director	May 24, 2018

**Certification Of The Chief Executive Officer - Pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, James Robert Todhunter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aim Exploration Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

By: /s/ James Robert Todhunter
James Robert Todhunter
President and Chief Executive Officer

May 24, 2018

**Certification Of The Chief Financial Officer - Pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Gregorio Formoso, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aim Exploration Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

By: /s/ Gregorio Formoso

Gregorio Formoso

Chief Financial Officer, Principal Accounting Officer

May 24, 2018

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Aim Exploration Inc., (the " Company ") on Form 10-Q for the quarter ended February 28, 2018, as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, James Robert Todhunter, Chief Executive Officer of the Company certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ James Robert Todhunter
James Robert Todhunter
President and Chief Executive Officer

May 24, 2018

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Aim Exploration Inc., (the " Company ") on Form 10-Q for the quarter ended February 28, 2018, as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Gregorio Formoso, Chief Financial Officer of the Company certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Gregorio Formoso
Gregorio Formoso
Chief Financial Officer, Principal Accounting Officer

May 24, 2018
