La Jolla Capital Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the six months ended December 31, 2019

(in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the La Jolla Capital Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

La Jolla Capital Inc.
Condensed Interim Consolidated Statements of Financial Position
(in Canadian dollars)
(Unaudited)

As at	Notes		September 30, 2019		June 30, 2019
ASSETS					
Current					
Cash		**$**	**1,345**	$	1,093
Receivables			**51**		40
Total assets		**$**	**1,396**	$	1,133
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current					
Accounts payable and accrued liabilities		**$**	**844,599**	$	778,576
Loans payable	5		**121,838**		111,838
			966,437		890,414
SHAREHOLDERS' DEFICIENCY					
Share capital	6		**16,103,979**		16,103,979
Deficit			**(16,971,544)**		(16,895,191)
Accumulated other comprehensive loss			**(97,476)**		(98,069)
			(965,041)		(889,281)
		$	**1,396**	$	1,133

Nature of Operations and Going Concern (Note 1 and 2(b))

Approved on behalf of the Board of Directors:

"Eugene Beukman"
Director

"Aman Thindal"
Director

La Jolla Capital Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Six-month periods ended December 31, 2019 and 2018
(in Canadian dollars)
(unaudited)

		Three months ended		Six months ended	
		December 31, 2019	December 31, 2018	**December 31, 2019**	December 31, 2018
Expenses					
Investor relations, agents and fees		**$ 5,811**	$ 7,382	**$ 6,386**	$ 7,382
Consulting, management and director fees	10	**24,000**	24,000	**48,000**	48,000
Office, premise and other		**749**	2,099	**792**	2,117
Professional fees	10	**10,657**	9,120	**21,175**	18,120
Net loss for the period		**(41,217)**	(42,601)	**(76,353)**	(75,619)
Other comprehensive loss					
Foreign currency translation adjustment		**1,526**	(4,170)	**593**	(2,836)
Total comprehensive loss		**$ (39,691)**	$ (46,771)	**$ (75,760)**	$ (78,455)
Loss per share, basic and diluted		**$ (0.01)**	$ (0.01)	**$ (0.02)**	$ (0.01)
Weighted average number of common shares outstanding, basic and diluted		**4,332,390**	4,864,967	**4,332,390**	5,424,146

La Jolla Capital Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the six months ended December 31, 2019 and 2018
(in Canadian dollars)
(Unaudited)

	Shares		Amount		Deficit		Other comprehensive loss		Total
Balance, June 30, 2018	5,983,324	$	22,240,685	$	(22,896,478)	$	(98,553)	$	(754,346)
Shares returned to treasury	(1,650,934)		-		-		-		-
Loss for the year	-		-		(75,619)		-		(75,619)
Other comprehensive income	-		-		-		(2,836)		(2,836)
Balance, December 31, 2018	4,332,390	$	22,240,685	$	(22,972,097)	$	(101,389)	$	(832,801)
Balance, June 30, 2019	4,332,390	$	16,103,979	$	(16,895,191)	$	(98,069)	$	(889,281)
Loss for the year	-		-		(76,353)		-		(76,353)
Other comprehensive loss	-		-		-		593		593
Balance, December 31, 2019	4,332,390	$	16,103,979	$	(16,971,544)	$	(97,476)	$	(965,041)

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

La Jolla Capital Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended December 31, 2019 and 2018
(in Canadian dollars)
(Unaudited)

		Six months ended		
		December 31, 2019		December 31, 2018
Cash provided by (used in):				
Operating Activities				
Net loss for the period	**$**	**(76,353)**	$	(75,619)
Items not involving cash:				
Unrealized foreign exchange		**593**		(2,836)
		(75,760)		(78,455)
Change in non-cash working capital:				
Receivables		**(11)**		1,308
Accounts payable and accrued liabilities		**66,023**		66,351
Cash Used in operating activities		**(9,748)**		(10,796)
Financing Activities				
Loans received		**10,000**		11,300
Cash provided by financing activities		**10,000**		11,300
Decrease in cash		**252**		504
Cash, beginning of the year		**1,093**		50
Cash, end of the period	**$**	**1,345**	$	554

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

1. NATURE OF OPERATIONS

La Jolla Capital Inc. (the "Company") was incorporated on April 6, 1990 under the laws of the Province of British Columbia and on June 19, 1997 the Company continued as a federal corporation under the Canada Business Corporation Act. The Company`s principal business activity is the exploration and development of mineral properties.

The Company's registered office is located at 810-789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2019.

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended June 30, 2019. The Company's interim results are not necessarily indicative of its results for a full year.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 11, 2020.

(b) Going Concern

At December 31, 2019, the Company incurred a loss of $75,760 (2018 - $78,455) for the six month period ended, had a working capital deficit of $965,041 (2018 - $898,281) and has accumulated losses of $16,971,544 (2018 - $16,895,191) since its inception. The Company expects to incur further losses in the development of its new business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These circumstances indicate the existence of material uncertainty related to events and conditions that may cast significant doubt about the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. These financial statements do not give effect to any adjustments required to realize it assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. BASIS OF PREPARATION (continued)

(c) Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis, except for those assets and liabilities that are measured at fair value at the end of each reporting period. Certain comparative amounts have been re-presented to conform to the current year presentation.

In preparing the Company's unaudited condensed interim consolidated financial statements for the six months ended December 31, 2019, the Company applied the estimates regarding tax as disclosed in its audited consolidated financial statements for the year ended June 30, 2019.

(d) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. All intercompany transactions and balances between the Company and its subsidiaries are eliminated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Changes in Accounting Standards

IFRS 15 – Revenue from contracts with customers. On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

The adoption of IFRS 15 and IFRS 16 did not have a material impact on the Company's consolidated financial statements.

(b) Changes in Accounting Standards not yet effective

Other standards have been issued for future adoption. The Company is in the process of assessing the impact of these pronouncements. The extent of the impact has not yet been determined

4. GOLDSMITH PROPERTY ACQUISITION

On July 8, 2015, the Company purchased the Goldsmith Property, a gold exploration property located near Kaslo, British Columbia. The Company acquired the vendor's right, title and interest in the Goldsmith Property for a total of 2,393,334 common shares.

The Company's interest in the Goldsmith Property was subject to an underlying option agreement pursuant to which the Company would be required to make the following payments to maintain its interest: (i) $35,000 on or before April 30, 2016 (extended for 6 months, not paid); (ii) $75,000 on or before April 30, 2017; (iii) $110,000 on or before April 30, 2018; and (iv) $1,000,000 upon any commencement of commercial production. In addition, the Goldsmith Property was subject to a 3.0% net smelter returns royalty in favour of a prior claimholder, 50% of which may be repurchased for $1,500,000.

During the year ended June 30, 2016, the option agreement was terminated; subsequently, the Company recorded a provision for write-down of $50,000 related to the Goldsmith Property.

5. LOANS PAYABLE

As at September 30, 2019, the Company had loans payable of $82,734 (June 30, 2019 - $82,734) to unrelated parties and $39,104 (June 30, 2019 - $29,104) to related parties (Note 10). The loans are unsecured, non-interest bearing and are due on demand.

6. SHARE CAPITAL

(a) Authorized: Unlimited number of common shares, voting

(b) Issued and Outstanding

No shares were issued during the period ended December 31, 2019 and 2018.

7. FINANCIAL INSTRUMENTS

(a) Fair value information

As at December 31, 2019, the Company’s financial instruments consist of cash, accounts payable and loans payable. The carrying values of these financial instruments approximate their fair values because of their current nature. All financial assets and financial liabilities are recorded at fair value on initial recognition.

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity);

At December 31, 2019 and December 31, 2018, cash was classified in the fair value hierarchy as level 1. There were no transfers between levels during the six months period ended December 31, 2019.

7. FINANCIAL INSTRUMENTS (continued)

(b) Fair value information (continued)

Liquidity risk

At December 31, 2019, the Company held cash of $1,345 (June 30, 2019 - $1,093), had a working capital deficiency of $965,041 (June 30, 2019 - $889,281). At December 31, 2019, the Company expects that it will be able to obtain funding from investors in order to meet its obligations.

Interest rate risk

Interest rate risk is the result that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company was not exposed to significant interest rate risk as loans payable were at fixed interest rates with short-term maturities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company was mainly exposed to credit risk from holding cash, which it mitigates from holding balances with major financial institutions.

Currency risks

The Company is exposed to currency risk related to certain accounts payable and accrued liabilities and other payable amounts which were denominated in US$. As at December 31, 2019, there were US$59,820 denominated in US$ (June 30, 2018 – US$59,820).

8. MANAGEMENT OF CAPITAL

The Company's objectives of capital management are to safeguard its ability to support the Company's normal operating requirements on an ongoing basis and to start to development its mining interest. The Company considers its capital to be share capital.

The Company’s is currently not generating any cash flows; as such, the Company is dependent on external and related party financing to fund its costs. The Company does not have any working capital and will need to raise additional amount in order to meet its obligations. Companies in this stage typically rely upon equity and debt financing to fund operations. The Company is not listed on a stock exchange at December 31, 2019. There is no certainty with respect to the Company’s ability to raise capital.

At December 31, 2019, the Company expects that it will be able to obtain funding from investors in order to meet its obligations. Additional financing will need to be obtained for the planned development and exploration of the mining interest.

At December 31, 2019, there was no externally imposed capital requirement to which the Company is subject.

9. SUPPLEMENTAL CASH FLOW INFORMATION

		Six months ended December 31, 2019		Six months ended December 31, 2018
Interest paid	**$**	**-**	$	-
Income taxes paid	**$**	**-**	$	-

(in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

As at December 31, 2019, the Company owed $608,500 (June 30, 2019 - $543,843) to various directors and their companies, which is included in accounts payable and accrued liabilities.

As at December 31, 2019, the Company had loans payable of $39,104 (June 30, 2018 - $29,104) to directors of the Company (Note 5).

The remuneration of directors and key management personnel during the six months ended December 31, 2019 and 2018 are as follows:

	Six months ended	
	December 31, 2019	December 31, 2018
Management, consulting, directors' and professional fees	**$ 66,000**	$ 66,000
	$ 66,000	$ 66,000

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

11. SEGMENTED INFORMATION

The Company previously operated in one industry segment. At December 31, 2019 and 2018, the Company has no operations and there was no property and equipment in any geographical area.