
**AIML RESOURCES INC. (FORMERLY FIREBIRD
RESOURCES INC.)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

THREE MONTHS ENDED JULY 31, 2020

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of AIML Resources Inc. (formerly Firebird Resources Inc.) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

AIML Resources Inc. (formerly Firebird Resources Inc.)**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

	As at July 31, 2020	As at April 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 48,226	\$ 137,750
Marketable securities (note 3)	64,500	39,417
Amounts receivable	3,620	1,941
Total current assets	116,346	179,108
Non-current assets		
Exploration and evaluation asset (note 4)	140,759	140,759
Total assets	\$ 257,105	\$ 319,867
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 960,177	\$ 938,583
Notes payable (note 6)	422,000	422,000
Amount due to a related company (note 7)	725,320	780,820
Total liabilities	2,107,497	2,141,403
Shareholders' deficit		
Share capital (note 8)	19,710,010	19,710,010
Share-based payment reserve (note 9)	3,038,063	3,038,063
Equity portion of convertible debt	231,092	231,092
Deficit	(24,829,557)	(24,800,701)
Total Shareholders' deficit	(1,850,392)	(1,821,536)
Total Shareholders' deficit and liabilities	\$ 257,105	\$ 319,867

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Subsequent event (note 12)

Approved on behalf of the Board:

(Signed) "Ken Ralfs" _____ Director

(Signed) "John Cook" _____ Director

AIML Resources Inc. (formerly Firebird Resources Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended July 31, 2020	Three Months Ended July 31, 2019
Operating expenses		
General and administrative (note 7)	\$ 12,230	\$ 3,135
Consulting	4,573	-
Management fees (note 7)	18,000	18,000
Professional fees	8,268	3,643
Total Operating expenses	(43,071)	(24,778)
Interest expense	(9,375)	(9,376)
Interest income	-	413
Unrealized gain (loss) on marketable securities (note 3)	25,083	10,750
Foreign exchange difference	(1,493)	(16,826)
Loss before income taxes	(28,856)	(39,817)
Total comprehensive loss for the period	\$ (28,856)	\$ (39,817)
Basic and diluted net loss per share (note 11)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	11,101,026	8,101,026

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

AIML Resources Inc. (formerly Firebird Resources Inc.)**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

	Three Months Ended July 31, 2020	Three Months Ended July 31, 2019
Operating activities		
Net loss for the period	\$ (28,856)	\$ (39,817)
Adjustments for:		
Unrealized (gain) loss on marketable securities	(25,083)	(10,750)
Changes in non-cash working capital items:		
Amounts receivable	(1,679)	(446)
Amounts payable and other liabilities	21,594	31,810
Due to related party	(55,500)	19,500
Net cash provided by (used in) operating activities	(89,524)	297
Net change in cash and cash equivalents	(89,524)	297
Cash and cash equivalents, beginning of period	137,750	3,815
Cash and cash equivalents, end of period	\$ 48,226	\$ 4,112

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AIML Resources Inc. (formerly Firebird Resources Inc.)

Condensed Interim Consolidated Statements of Changes in Deficit

(Expressed in Canadian Dollars)

Unaudited

	Share capital	Share-based payments reserve	Equity component of convertible debt	Deficit	Total
Balance, April 30, 2019	\$ 19,524,482	\$ 2,894,941	\$ 231,092	\$(24,585,193)	\$ (1,934,678)
Net loss for the period	-	-	-	(39,817)	(39,817)
Balance, July 31, 2019	\$ 19,524,482	\$ 2,894,941	\$ 231,092	\$(24,625,010)	\$ (1,974,495)
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Balance, April 30, 2020	\$ 19,710,010	\$ 3,038,063	\$ 231,092	\$(24,800,701)	\$ (1,821,536)
Net loss for the period	-	-	-	(28,856)	(28,856)
Balance, July 31, 2020	\$ 19,710,010	\$ 3,038,063	\$ 231,092	\$(24,829,557)	\$ (1,850,392)

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

AIML Resources Inc. (formerly Firebird Resources Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended July 31, 2020

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

AIML Resources Inc. (formerly Firebird Resources Inc.) (the "Company") was incorporated under the British Columbia Business Corporations Act and is listed on the TSX Venture Exchange. The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered office is located at Suite 200, 82 Richmond Street East, Toronto, Ontario M5C 1P1.

On March 11, 2020, the World Health Organization declared coronavirus COVID19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at July 31, 2020, the Company has not generated any revenues from operations, has an accumulated deficit of \$24,829,557 (April 30, 2020 - accumulated deficit \$24,800,701) and has a working capital deficit of \$1,991,151 (April 30, 2020 - working capital \$1,962,295). The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS's issued and outstanding as of October 5, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended April 30, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending April 30, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

AIML Resources Inc. (formerly Firebird Resources Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended July 31, 2020

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies (continued)

New accounting standards adopted

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements as at July 31, 2020.

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements as at July 31, 2020.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements as at July 31, 2020.

New accounting standards and interpretations not adopted yet

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after April 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations. Following have not yet been adopted and are being evaluated to determine their impact on the Company.

3. Marketable securities

On May 20, 2016, the Company received 716,667 common shares of Pancontinental Gold Corporation with a fair value of \$53,750 as part of the consideration for the sale of the Jefferson Property. The common shares are held-for-trading and as of July 31, 2020, the fair value of the common shares was \$64,500 (April 30, 2020 - \$39,417). During the three months ended July 31, 2020, the Company recorded an unrealized gain of \$25,083 (three months ended July 31, 2019 – unrealized loss of \$(10,750)) which has been recorded in the consolidated statements of operations.

AIML Resources Inc. (formerly Firebird Resources Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended July 31, 2020

(Expressed in Canadian Dollars)

Unaudited

4. Exploration and evaluation assets

The Company's exploration and evaluation assets consist of the following:

	Mountain of Gold Property	Buzzard Property	Total
<u>Acquisition Costs</u>			
Balance, April 30, 2019	\$ 800	\$ 72,366	\$ 73,166
Balance, July 31, 2019	800	72,366	73,166
<u>Exploration and Evaluation Costs</u>			
Balance, April 30, 2019	\$ 2,224	\$ 40,590	\$ 42,814
Balance, July 31, 2019	2,224	40,590	42,814
Balance, July 31, 2019	\$ 3,024	\$ 112,956	\$ 115,980

	Buzzard Property	Total
<u>Acquisition Costs</u>		
Balance, April 30, 2020	\$ 92,169	\$ 92,169
Balance, July 31, 2020	92,169	92,169
Balance, April 30, 2020	\$ 48,590	\$ 48,590
Balance, July 31, 2020	\$ 140,759	\$ 140,759

(a) Mountain of Gold Property, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. In order to keep the option granted to the Company in good standing, the Company was obligated to:

- (i) issue 50,000 common shares on regulatory approval of the agreement;
- (ii) issue 50,000 common shares by May 4, 2006; and
- (iii) issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for \$1,000,000.

During the year ended April 30, 2020, the Company recorded an impairment as it no longer continues to pursue the property.

AIML Resources Inc. (formerly Firebird Resources Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended July 31, 2020

(Expressed in Canadian Dollars)

Unaudited

4. Exploration and evaluation assets (continued)

(b) Buzzard Property, South Carolina

Pursuant to a mineral lease agreement dated September 1, 2008, the Company was granted an exclusive lease of all mineral exploration rights relating to approximately sixty-eight acres located in South Carolina. In order to keep the lease agreement granted to the Company in good standing, the Company is obligated to:

- (i) pay US\$3,000 per year for each of the third and fourth years of the lease (paid);
- (ii) pay US\$4,000 per year for each of the fifth, sixth, and seventh years of the lease (paid);
- (iii) pay US\$5,000 per year for each of the eighth and ninth years of the lease (paid);
- (iv) upon the earlier of commercial production or the tenth year of the lease, a minimum annual advanced royalty of US\$15,000 per year (paid); and
- (v) production royalty of 3.5% of the gross returns on any mining production.

5. Accounts payable and accrued liabilities

	As at July 31, 2020	As at April 30, 2020
Trade payables	\$ 640,889	\$ 636,833
Accrued liabilities	18,613	10,450
Interest payable	300,675	291,300
Total accounts payable and accrued liabilities	\$ 960,177	\$ 938,583

6. Notes payable

- (a) On December 10, 2009, the Company completed a convertible debenture financing for proceeds of \$255,000. The convertible debenture is unsecured, bears interest at 10% per annum, and matured on December 11, 2014. The debenture is convertible into common shares of the Company at \$0.10 per common share at the option of the holder for the duration of the term. The convertible feature expired on December 11, 2014 and convertible debenture was reallocated to notes payable. In addition, the debenture holder was issued 2,550,000 detachable common share purchase warrants exercisable at \$0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of \$16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of five years. The warrants expired on December 31, 2014.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was \$23,908 and the amount attributable to the conversion option and warrants was \$231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five year term of the debt. As at July 31, 2020 and April 30, 2020, the carrying value of the note payable is \$255,000.

- (b) As at July 31, 2020, the Company owed \$167,000 (April 30, 2020 - \$167,000) to an unrelated company, which is unsecured, bears interest at 10% per annum, and due on demand.

AIML Resources Inc. (formerly Firebird Resources Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended July 31, 2020

(Expressed in Canadian Dollars)

Unaudited

7. Related party transactions

(a) The Company entered into the following transactions with related parties:

During the three months ended July 31, 2020, the Company incurred management fees of \$18,000, (three months ended July 31, 2019 - \$18,000), and rent of \$1,500, (three months ended July 31, 2019 - \$1,500), to a company controlled by the Chief Executive Officer of the Company.

(b) Related party balances

As at July 31, 2020, the Company owed \$715,150 (April 30, 2020 - \$770,650) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

As at July 31, 2020, the Company owed \$10,170 (April 30, 2020 - \$10,170) to a company controlled by common directors, which is unsecured, non-interest bearing, and due on demand.

8. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, April 30, 2019 and July 31, 2019	8,101,026	\$ 19,524,482
Balance, April 30, 2020 and July 31, 2020	11,101,026	\$ 19,710,010

On February 18, 2020, the Company issued 3,000,000 units at \$0.11 per unit for proceeds of \$330,000. Each unit consisted of one common share and one transferable warrant exercisable at \$0.15 per share until February 18, 2021; and at \$0.20 per share until February 18, 2022. The proportionate fair value of the share purchase warrants issued was \$138,236, and was calculated using the Black-Scholes option pricing model assuming an expected life of 2 years, volatility of 152%, risk free rate of 1.47%, and no expected dividends or forfeitures. As part of the private placement, the paid issuance costs of \$1,350 and issued 135,000 finder's warrants with a fair value of \$4,886. Each finder's warrant is exercisable at \$0.35 per share expiring on August 18, 2020 and was calculated using the Black-Scholes option pricing model.

c) Reserves

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair value of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from reserve for warrants to share capital.

AIML Resources Inc. (formerly Firebird Resources Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended July 31, 2020

(Expressed in Canadian Dollars)

Unaudited

9. Stock options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred.

As at July 31, 2020 and April 30, 2020, the Company does not have any issued and outstanding stock options.

10. Warrants

	Number of warrants	Weighted average exercise price \$
Balance, April 30, 2019 and July 31, 2019	-	\$ -
Balance, April 30, 2020 and July 31, 2020	3,135,000	\$ 0.16

The following table reflects the actual warrants issued as of July 31, 2020:

Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date	Remaining contract life (years)
135,000	9,300	0.35 ⁽¹⁾	August 18, 2020	0.05
3,000,000	162,223	0.15 ⁽²⁾	February 14, 2022	1.55
3,135,000	171,523	0.16		1.49

(1) The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate of 1.63%; expected life of 0.5 years; expected volatility: 250%; and a weighted average share price: \$0.15.

(2) Exercisable into one common share at \$0.15 until February 18, 2021 and thereafter at \$0.20 until February 18, 2022

11. Loss per share

For the three months ended July 31, 2020, basic and diluted loss and income per share has been calculated based on the loss attributable to common shareholders of \$28,856 (three months ended July 31, 2019 - \$39,817) and the weighted average number of common shares outstanding of 11,101,026 (three months ended July 31, 2019 - 8,101,026). Diluted loss per share did not include the effect of warrants as they are anti-dilutive.

AIML Resources Inc. (formerly Firebird Resources Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended July 31, 2020

(Expressed in Canadian Dollars)

Unaudited

12. Subsequent event

- a) On August 16, 2020, the Company entered into a share purchase agreement with Salu Design Group Inc. ("Salu"), which is a private technology company based in Edmonton, Alberta. Pursuant to the agreement, the Company, subject to the terms and conditions, has agreed to purchase 19,254,619 common shares of Salu (approximately 70% of the issued and outstanding common shares of Salu) in exchange for the issuance of 3,000,000 common shares of the Company and 7,000,000 share purchase warrants of the Company, which is subject to Salu achieving specific revenue targets over a specified period of time. In addition, the Company has the option to acquire the remaining 30% equity interest of Salu in exchange for common shares of the Company and additional performance warrants, which will be determined at the time the Company exercises the option to purchase. The agreement is subject to specific conditions prior to closing, including but not limited to approval from TSX-V, audited financial statements of Salu to be presented to the Company for review, and the commitment from the Company to have a minimum of \$420,000 of capital to finance the operations of Salu. As of the audit report date, the agreement is still subject to close. If the Company terminates the agreement prior to completion, the Company shall pay Salu a cancellation fee of \$100,000.
- b) On August 18, 2020, 135,000 expired unexercised.
- c) On August 31, 2020, the Company issued 376,000 common shares for proceeds of \$56,400 pursuant to the exercise of share purchase warrants.