



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Month Period Ended

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	June 30, 2020	December 31, 2019
	(\$)	(\$)
ASSETS		
Current assets		
Cash	1,107,842	129,492
Prepaid expenses	40,693	1,696
Receivables (Note 4)	20,045	2,336
	1,168,580	133,524
Exploration and evaluation assets (Note 5)	728,469	10,501
Oil properties (Note 6)	42,711	-
	1,939,760	144,025
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7 and 10)	77,058	57,150
Note payable (Note 8)	40,000	-
Asset retirement obligation (Note 9)	72,250	-
	189,308	57,150
Shareholders' equity		
Share capital (Note 11)	6,017,719	4,025,206
Reserves (Note 11)	547,884	450,706
Deficit	(4,815,151)	(4,389,037)
	1,750,452	86,875
	1,939,760	144,025

Nature of Operations and Going Concern (Note 1)

On behalf of the Board:

"Ken Brophy"

Ken Brophy - Director

"J. Lewis Dillman"

J. Lewis Dillman - Director

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended September 30, 2020	Three Month Period Ended September 30, 2019	Nine Month Period Ended September 30, 2020	Nine Month Period Ended September 30, 2019
	(\$)	(\$)	(\$)	(\$)
Revenue				
Oil sales	30,002	-	75,469	-
Royalties and freehold mineral tax (Note 10)	(4,217)	-	(11,524)	-
	25,785	-	63,945	-
Expenses				
Accretion (Note 9)	350	-	1,048	-
Consulting fees (Note 10)	116,660	-	162,160	-
Depletion (Note 6)	2,138	-	7,178	-
Director fees (Note 10)	10,000	(16,000)	28,000	8,000
Field operating expenses	15,337	-	28,476	-
General and administrative	9,624	3,228	19,872	9,278
Management fees (Note 10)	5,000	-	5,000	-
Professional fees (Note 10)	56,425	28,618	125,921	80,265
Share-based compensation (Note 11)	-	-	49,200	58,200
Transfer agent and filing fees	22,977	4,189	36,875	14,900
	(238,511)	(20,035)	(463,730)	(170,643)
Finance expense	-	-	(2,089)	-
Impairment of oil properties (Note 6)	-	-	(26,312)	-
Interest and other income	-	40,906	2,072	40,906
	(238,511)	20,871	(490,059)	(129,737)
Net income (loss)	(212,726)	20,871	(426,114)	(129,737)
Item that may be reclassified to net income (loss)				
Exchange differences on translating foreign operations	7,878	-	7,878	-
Comprehensive income (loss) for the period	(212,726)	20,871	(418,236)	(129,737)
Basic and diluted earnings (loss) per share:	(0.01)	0.00	(0.02)	(0.01)
Weighted average common shares outstanding:				
Basic	32,978,582	12,097,849	26,174,121	12,097,849
Diluted	32,978,582	12,097,849	26,174,121	12,097,849

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital		Reserves				Total
	Number of Shares	Amount	Accumulated Other Comprehensive Income	Options	Warrants	Deficit	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance at December 31, 2018	12,097,849	3,848,206	-	333,776	26,530	(4,174,691)	33,821
Stock options vested	-	-	-	58,200	-	-	58,200
Comprehensive loss for the period	-	-	-	-	-	(129,737)	(129,737)
Balance at June 30, 2019	12,097,849	3,848,206	-	391,976	26,530	(4,304,428)	(37,716)
Share issuance - private placement	5,900,000	177,000	-	-	-	-	177,000
Stock options vested	-	-	-	32,200	-	-	32,200
Comprehensive loss for the period	-	-	-	-	-	(84,609)	(84,609)
Balance at December 31, 2019	17,997,849	4,025,206	-	424,176	26,530	(4,389,037)	86,875
Share issuance - property acquisitions	5,000,000	680,000	-	-	-	-	680,000
Share issuance - option exercises	2,000,000	106,000	-	-	-	-	106,000
Share issuance - warrant exercises	1,000,000	70,000	-	-	-	-	70,000
Share issuance - private placement	12,000,000	1,100,000	-	-	-	-	1,100,000
Share issuance costs	-	(35,134)	-	-	-	-	(35,134)
Share issuance - debt settlement	4,469,863	111,747	-	-	-	-	111,747
Stock options vested	-	-	-	49,200	-	-	49,200
Comprehensive loss for the period	-	-	7,878	-	-	(426,114)	(418,236)
Balance at June 30, 2020	42,467,712	6,057,819	7,878	473,376	26,530	(4,815,151)	1,750,452

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Month Period Ended September 30, 2020	Nine Month Period Ended September 30, 2019
	(\$)	(\$)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	(418,236)	(129,737)
Items not affecting cash		
Accretion	1,048	-
Depletion	7,178	-
Impairment of oil properties	26,312	-
Stock-based compensation	49,200	58,200
Changes in non-cash working capital items:		
Receivables	(17,709)	5,947
Prepays	(38,996)	(2,801)
Accounts payable and accrued liabilities	131,655	(36,553)
	(259,548)	(104,944)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(37,968)	-
Acquisition of oil property	(5,000)	-
	(42,968)	-
FINANCING ACTIVITIES		
Common shares issued for cash, net of issuance costs	1,240,866	-
Proceeds from promissory note	40,000	-
	1,280,866	-
Change in cash during the period	978,350	(104,944)
Cash - beginning of period	129,492	105,330
Cash - end of period	1,107,842	386

Supplemental Cash Flow Information (Note 14)

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Supernova Metals Corp. (“Supernova” or the “Company”) was incorporated on November 20, 2000 under the laws of the province of Alberta, Canada and was continued into the province of British Columbia in 2010. The Company changed its name from Volt Energy Corp. to Supernova Metals Corp. on September 2, 2020. The Company’s offices are located at 1090 Hamilton Street, Vancouver, BC, Canada, V6B 2R9. The Company is engaged in the exploration of mineral properties and oil production in North America. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “SUPR”.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has a deficit of \$4,815,151 and ongoing losses. The Company’s only source of revenue is from its oil interests in Saskatchewan.

The above conditions cast significant doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company’s financial statements and such adjustments could be material

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and therefore should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2019, prepared in accordance with IFRS as issued by the IASB

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on November 20, 2020.

Basis of Presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

These consolidated financial statements include the accounts of Supernova and its wholly-owned subsidiary Supernova Metals (US) Corp. which was incorporated in Arizona, USA.

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)**Functional and Presentation Currency**

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currencies are as follows:

Entity	Functional Currency
Supernova Metals Corp.	Canadian dollar
Supernova Metals (US) Corp.	United States dollar

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the year.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

Use of Estimates and Judgements

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Income taxes

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Significant judgements that management has made at the end of the reporting period are as follows:

Carrying value and the recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at December 31, 2019.

4. RECEIVABLES

	September 30, 2020	December 31, 2019
	(\$)	(\$)
GST receivable	12,973	2,336
Trade receivables	7,072	-
	<u>20,045</u>	<u>2,336</u>

5. EXPLORATION AND EVALUATION ASSETSClanton Hills, Arizona

On August 31, 2020, the Company entered into an option agreement with Allegiant Gold Ltd. wherein it can acquire up to a 50.1% interest in the Clanton Hills silver property located in Arizona, USA in exchange for the following:

On August 31, 2020, the Company entered into an option agreement with Allegiant Gold Ltd. ("Allegiant") granting Supernova an option to acquire a 50.1% interest in the Clanton Hills silver property, subject to a 2% net smelter return royalty. The terms of the option are as follows:

Date	Cash	Shares	Exploration Expenditures
	(US\$)		(US\$)
TSXV Approval (issued)	-	2,000,000	-
6 months following TSXV Approval ¹	150,000		-
12 months following TSXV Approval ²	150,000		-
24 months following TSXV Approval ³	150,000		-
36 months following TSXV Approval ²	100,000		1,500,000
	<u>550,000</u>	<u>2,000,000</u>	<u>1,500,000</u>

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)¹ payable in cash or common shares at the election of Supernova² US\$50,000 is payable in common shares of Supernova³ US\$100,000 is payable in common shares of SupernovaCold Springs, Nevada

On September 1, 2020, the Company entered into an option agreement with Silver Range Resources Ltd. wherein it can acquire up to a 75% interest in the Cold Springs gold property located in Nevada, USA in exchange for completing at least 2,000 metres of drilling on the property by August 31, 2023 and by making the following cash payments:

Date	Amount
	(\$)
On execution of the Option Agreement (paid)	10,000
By November 30, 2020 (paid)	20,000
By February 28, 2021	20,000
By August 31, 2021	50,000
By August 31, 2022	100,000
By August 31, 2023	100,000
	300,000

Lac Saint Simon, Quebec

On June 1, 2017, the Company acquired a 100% interest in the Lac Saint Simon lithium property located in west-central Quebec in exchange for 625,000 common shares of the Company which were valued at \$325,000.

Lac Roy and Faraud, Quebec

On January 2, 2020, the Company acquired a 100% interest in the Lac Roy and Faraud vanadium properties located in Quebec in exchange for 3,000,000 common shares of the Company which were valued at \$180,000.

During the period ended September 30, 2020, the Company reviewed the carrying value of its exploration and evaluation assets and determined there were no impairment indicators present.

A summary of exploration and evaluation assets by property for the year ended September 30, 2020 is set out below:

Property	Balance at December 31, 2019	Additions	Impairment	Foreign Exchange	Balance at September 30, 2020
	(\$)	(\$)	(\$)	(\$)	(\$)
Clanton Hills	-	524,034	-	-	524,034
Cold Springs	-	13,934	-	-	13,934
Lac Saint Simon	10,501	-	-	-	10,501
Lac Roy and Faraud	-	180,000	-	-	180,000
	10,501	1,423,528	-	-	728,469

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

6. OIL PROPERTIES

On January 1, 2020, the Company acquired non-operating working interests in five wells in southeastern Saskatchewan from a corporation that shares directors and officers in common with the Company. The consideration for the acquisition was a cash payment of \$5,000 and a contingent performance bonus of up to \$40,000 payable after one year of production. In addition, the Company assumed the reclamation liability for its proportional interest in these wells which has been determined to be \$71,551 (Note 9).

Well #		Working Interest (%)	Net Revenue Interest (%)
1	King 141/08-13-004-07 W2M	45.90	39.02
2	King 91/06 HZ 1D08-13-1D06-18-04-06 W2M	13.00	13.00
3	King 92/07 HZ 2C5-18-1D7-13-04-07 W2M	45.90	39.02
4	King 4D8-14/2A11-13-004-07 W2	10.50	8.93
5	Steelman 191/07-18-004-06W2	13.00	13.00

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The Company reviews each CGU for indicators of possible impairment at the end of each reporting period. During the nine month period ended September 30, 2020, the Company reviewed the carrying value of its oil properties and determined there were impairment indicators present for Well #3. The well has not produced any oil since acquisition, and it is unclear if there is any future benefit left in the well. Accordingly, the Company has recorded an impairment charge of \$26,312.

2020	Well #1	Well #2	Well #3	Well #4	Well #5	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cost:						
At December 31, 2019	-	-	-	-	-	-
Additions	26,772	7,106	26,312	7,142	8,869	76,201
At September 30, 2020	26,772	7,106	26,312	7,142	8,869	76,201
Depletion:						
At December 31, 2019	-	-	-	-	-	-
Charge for the period	3,285	1,523	-	757	1,613	7,178
At September 30, 2020	3,285	1,523	-	757	1,613	7,178
Impairment:						
At December 31, 2019	-	-	-	-	-	-
Charge for the period	-	-	26,312	-	-	26,312
At September 30, 2020	-	-	26,312	-	-	26,312
Net book value:						
At December 31, 2019	-	-	-	-	-	-
At September 30, 2020	23,487	5,583	-	6,385	7,256	42,711

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	September 30, 2020	December 31, 2019
	(\$)	(\$)
Trade payables	32,012	-
Related party payables	30,046	41,150
Accrued liabilities	15,000	16,000
	<u>77,058</u>	<u>57,150</u>

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

8. NOTE PAYABLE

On January 10, 2020, the Company borrowed \$40,000 pursuant to a promissory note that is unsecured, bears interest at a rate of 18% compounded monthly and is repayable on or before December 31, 2020. During the nine month period ended September 30, 2020, the Company repaid the loan plus accrued interest of \$1,978 through the issuance of 1,678,713 common shares of the Company and a cash payment of \$11.

On April 13, 2020, the Company borrowed \$15,000 from a director of the Company pursuant to a promissory note that is unsecured, bears interest at a rate of 18% compounded monthly and is repayable on or before December 31, 2020. During the nine month period ended September 30, 2020, the Company repaid the loan plus accrued interest of \$111 through the issuance of 600,000 common shares of the Company and a cash payment of \$111.

On May 11, 2020, the Company borrowed \$40,000 under a COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (“CEBA”). The credit line is interest free until December 31, 2020, and any unpaid balance on January 1, 2021 will be converted to a two year 0% interest term loan that must be repaid by December 31, 2022. A total of \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2022. The Company can exercise an option for a three year term extension but any remaining principal balance outstanding will be subject to 5% interest.

9. ASSET RETIREMENT OBLIGATION

	September 30, 2020	December 31, 2019
	(\$)	(\$)
Balance, beginning	-	-
Addition	71,202	-
Accretion expense	1,048	-
Balance, end	<u>72,250</u>	-

The Company’s provision for restoration and environmental obligations consists of costs accrued based on the current best estimate of reclamation activities that will be required at the completion of petroleum extraction activities. The Company’s provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by a third party specialist. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

The Company has calculated the fair value of the asset retirement obligation using a risk-free discount rate of 2.2% and an inflation rate of 2.0%. The estimated total future undiscounted cash flows to settle the asset retirement obligations are \$85,700 and are expected to be incurred over a period of approximately 19 years.

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

Key management includes the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), directors and companies controlled by them. The Company incurred the following transactions with key management of the Company during the nine month periods ended September 30, 2020 and 2019:

	September 30, 2020	September 30, 2019
	(\$)	(\$)
Director fees	28,000	8,000
Professional and consulting fees	140,000	30,000
Management fees	5,000	-
Share-based compensation in the form of vested stock options issued to directors of the Company	26,739	58,200
Mineral royalties	916	-
	<u>200,655</u>	<u>96,200</u>

As at September 30, 2020, a total of \$30,046 (December 31, 2019 - \$41,150) was included in accounts payable and accrued liabilities owing to the directors of the Company.

11. SHARE CAPITAL*Authorized share capital*

The Company’s authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preference shares without par value.

Issued share capital

There are no preferred shares issued or outstanding.

Nine month period ended September 30, 2020

On January 9, 2020, the Company issued 3,000,000 common shares at \$0.06 per share in connection with the acquisition of the Lac Roy and Faraud vanadium properties.

On April 28, 2020, the Company issued 4,469,863 common shares to settle accounts payable and notes payables totaling \$111,746.

On June 4, 2020, the Company completed a non-brokered private placement wherein it issued 2,000,000 units at \$0.05 for aggregate proceeds of \$100,000. Each unit is comprised of a common share and a share purchase warrant that entitles the holder to acquire an additional common share at \$0.07 for a period of two years. The warrant was determined to have a value of \$Nil.

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

On September 4, 2020, the Company completed a non-brokered private placement wherein it issued 10,000,000 common shares at \$0.10 for aggregate proceeds of \$1,000,000. The Company incurred share issuance costs of \$35,134 and issued 312,900 finders' warrants that are exercisable at \$0.20 until September 4, 2021. The finders' warrants were determined to have a value of \$40,100.

On September 16, 2020, the Company issued 2,000,000 common shares valued at \$500,000 in connection with the Clanton Hills option agreement.

During the nine month period ended September 30, 2020, the Company issued 3,000,000 common shares for gross proceeds of \$176,000 pursuant to the exercise of share purchase warrants and stock options.

Year ended December 31, 2019

On October 10, 2019, the Company issued 5,900,000 common shares at \$0.03 per share pursuant to a non-brokered private placement for gross proceeds of \$177,000.

Restricted Stock Units

On September 9, 2020, the Company adopted a restricted share unit ("RSU") plan to issue RSUs whereby the total aggregate RSUs and share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant RSUs to directors, officers, employees or consultants. The vesting terms of an RSU are at the discretion of the Board of Directors.

There were no RSUs issued or outstanding as at September 30, 2020

Stock options

The Company has rolling incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company.

Nine month period ended September 30, 2020

On June 2, 2020, the Company granted 1,150,000 stock options with a fair value of \$49,200. The options were fully vested on the grant date, and the Company expensed \$49,200 as stock-based compensation.

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)Year ended December 31, 2019

On May 3, 2019, the Company granted 1,000,000 stock options with a fair value of \$58,200. The options were fully vested on the grant date, and the Company expensed \$58,200 as share-based compensation.

On October 10, 2019, the Company granted 775,000 stock options with a fair value of \$32,200. The options were fully vested on the grant date, and the Company expensed \$32,200 as share-based compensation.

The options granted during the period were valued using the Black-Scholes option pricing model under the following weighted average assumptions:

	2020	2019
Risk-free interest rate	0.39%	1.52%
Expected life of options	5 yrs	5 yrs
Volatility	130%	121%
Expected Dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Weighted average fair value	\$0.04	\$0.05

A continuity schedule of the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Price
		(\$)
Balance, December 31, 2018	155,000	0.40
Granted	1,775,000	0.06
Expired	(555,000)	0.16
Balance, December 31, 2019	1,375,000	0.06
Granted	1,150,000	0.05
Exercised	(2,000,000)	0.05
Balance, September 30, 2020	525,000	0.05

The following table summarizes the stock options outstanding and exercisable as at September 30, 2020:

Number of Options Outstanding	Number of Options Exercisable	Weighted Average Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
		(\$)		(yrs)
300,000	300,000	0.07	May 2, 2024	3.59
125,000	125,000	0.05	October 10, 2024	4.03
100,000	100,000	0.05	June 2, 2025	4.67
525,000	525,000	0.05		3.90

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

12. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company prepares general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

Historically and prior to the spin out of the oil and gas assets, the Company's main source of funding has been through revenue earned from its operating well interests and the issuance of equity securities for cash. The Company's access to financing in the public markets is always uncertain. The Company is exposed to liquidity risk.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the period ended September 30, 2020.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. However, the Company's functional currency is the Canadian dollar and the Company doesn't have any material assets or operations that are denominated in a foreign currency. Accordingly, the Company is not exposed to any material foreign exchange risk and has not hedged its limited exposure to currency fluctuations

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

12. FINANCIAL RISK MANAGEMENT (continued)*Classification of financial instruments*

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial assets included in the statement of financial position are cash and receivables. Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities and note payable. The fair value of cash is measured using Level 1 of the fair value hierarchy. The fair value of receivables, and accounts payable approximate the carrying amount due to their short term to maturity. The fair value of note payable reflects the market rate of interest. The effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended September 30, 2020.

Supernova Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

13. SEGMENTED INFORMATION

The Company has one reportable business segment, being mineral exploration and development. Assets by geographical area are as follows:

	September 30, 2020	December 31, 2019
	(\$)	(\$)
Current assets		
Canada	1,168,580	133,524
USA	-	-
	1,168,580	133,524
Non-current assets		
Canada	233,212	10,501
USA	537,968	-
	771,180	10,501
Total assets		
Canada	1,401,792	144,025
USA	537,968	-
	1,939,760	144,025

14. SUPPLEMENTAL CASH FLOW INFORMATION

	September 30, 2020	September 30, 2019
	(\$)	(\$)
Non-cash investing and financing activities:		
Acquisition of exploration and evaluation assets through the issuance of 5,000,000 common shares	680,000	-
Issued 312,900 finders' warrants as a share issuance cost	40,100	-
Recognized an asset retirement obligation on the oil properties	71,202	-
Settlement of accounts payable through the issuance of common shares	54,778	-
Settlement of notes payable through the issuance of common shares	59,968	-
Interest paid during the period	122	-
Income taxes paid during the period	-	-