Omni Commerce Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2020 AND 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDIT OR REVIEW OF CONDENSED INTERIM CONSOLIDATED 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 consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

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

Omni Commerce Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
AS AT

	July 31, 2020	April 30, 2020
ASSETS		
Current assets		
Cash	$ 927,055	$ 1,264,356
Marketable securities (Note 5)	10,285	3,600
GST receivable	36,175	38,763
Prepaid expenses and deposits	10,115	9,470
Total current assets	983,630	1,316,189
Non-current assets		
Convertible debentures (Note 6)	1,765,908	-
Long-term deposits (Note 4)	85,000	25,000
Deferred transaction costs (Note 7)	-	93,972
Total assets	$ 2,834,538	$ 1,435,161
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 177,538	$ 268,707
Equity		
Share capital (Note 8)	17,714,061	16,122,397
Obligation to issue shares	390,000	390,000
Reserves	1,153,463	1,153,463
Deficit	(16,600,524)	(16,499,406)
Total equity	2,657,000	1,166,454
Total liabilities and equity	$ 2,834,538	$ 1,435,161

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved and authorized on behalf of the Board:

"John Veltheer", Director *"Alex McAulay"*, Director

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

Omni Commerce Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE THREE MONTHS ENDED JULY 31

		2020		2019
EXPENSES				
Consulting fees	$	(71,389)	$	(84,750)
Management fees (Note 9)		(15,000)		(30,000)
Marketing fees		(15,798)		-
Office and miscellaneous		(2,543)		(10,304)
Professional fees		(17,830)		(67,526)
Lease amortization		-		(8,213)
Transfer agent and regulatory fees		(2,334)		(10,157)
Travel and accommodation		(2,453)		(5,135)
		(127,347)		(216,085)
OTHER ITEMS				
Foreign exchange loss		(5,760)		(1,430)
Gain (Loss) on marketable securities (Note 5)		6,685		(600)
Reversal of bad debt provision (Note 10)		-		50,000
Finance cost		-		(4,680)
Interest Income		25,304		3,934
Total other items		26,229		47,224
Net loss for the period	$	(101,118)	$	(168,861)
Loss per share				
Basic & diluted	$	(0.00)	$	(0.00)
Weighted average shares outstanding				
Basic & diluted		78,747,767		40,598,202

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

Omni Commerce Corp.
CONSENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE THREE MONTHS ENDED JULY 31

		2020		**2019**
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the year from continuing operations	$	(101,118)	$	(168,861)
Items not affecting cash:				
Foreign exchange		-		1,431
(Gain) Loss on marketable securities		(6,685)		600
Lease amortization		-		8,215
Lease accretion		-		(6,172)
Interest income		(25,304)		(3,934)
Reversal of bad debt provision		-		(50,000)
Changes in non-cash working capital items:				
Amounts receivable		2,588		(9,523)
Prepaid expenses		(645)		(18,405)
Accounts payable and accrued liabilities		(91,169)		(116,075)
Net cash used in operating activities		(222,333)		(362,724)
CASH FLOW FROM INVESTING ACTIVITIES				
Transaction costs incurred on the Amalgamation		(54,968)		-
Deposits made toward acquisition of Northshore Property		(60,000)		-
Net cash provided used in investing activities		(114,968)		-
Change in cash and cash equivalents for the period		(337,301)		(362,724)
Cash and cash equivalents, beginning of period		1,264,356		2,199,799
Cash and cash equivalents, end of period	$	927,055	$	1,837,075

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

Omni Commerce Corp.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital							
	Common Shares	Amount	Shares to be returned to treasury	Obligation to issue shares	Share subscriptions receivable	Reserves	Deficit	Total Equity
Balance, April 30, 2019	40,598,202	$ 16,166,397	$ (44,000)	$ 390,000	$ -	$ 776,773	$ (14,622,376)	$ 2,666,794
Loss for the period	-	-			-	-	(168,861)	(168,861)
Balance, July 31, 2019	40,598,202	$ 16,166,397	$ (44,000)	$ 390,000	$ -	$ 776,773	$ (14,791,237)	$ 2,497,933
Balance, April 30, 2020	40,443,657	$ 16,122,397	$ -	$ 390,000	$ -	$ 1,153,463	$ (16,499,406)	$ 1,166,454
Loss for the period	-	-	-	-	-	-	(101,118)	(101,118)
Shares issued for the Amalgamation	43,505,903	1,591,664	-	-	-	-	-	1,591,664
Balance, July 31, 2020	83,949,560	$ 17,714,061	$ -	$ 390,000	$ -	$ 1,153,463	$ (16,600,524)	$ 2,657,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Omni Commerce Corp. ("Omni" or the "Company") is a company incorporated on April 16, 2006 under the Business Corporations Act (British Columbia) as CCT Capital Ltd., and subsequently changed its name to Mezzi Holdings Inc. on October 24, 2014. On March 28, 2018, the Company changed its name to Omni Commerce Corp. During the year ended April 30, 2018, management made the decision to exit the branded goods business and has been exploring opportunities and negotiating potential transactions in the cannabidiol ("CBD") and cannabis sectors, along with potential mining opportunities.

The Company traded on the TSX Venture Exchange (the "Exchange") under the symbol "OMNI" until it delisted effective as of the close of business on March 24, 2020. The Company's corporate office is located at 1201-1166 Alberni Street, Vancouver, BC, Canada.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the three months ended July 31, 2020, the Company incurred a net loss of $101,118 and as at July 31, 2020, had an accumulated deficit of $16,600,524. As at July 31, 2020, the Company has working capital of $806,092. The Company has not generated significant cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These consolidated financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 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 results of operations at this time.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting 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 ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2020.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited interim condensed consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended April 30, 2020. In addition, other than noted below, the accounting policies applied in these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended April 30, 2020.

The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on September 30, 2020.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of polices and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the report amounts of revenues and expenses during the reporting year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears throughout the consolidated financial statements and may require 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 relevant factors that are believed to be reasonable under the circumstances.

Significant accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

i) Recognition of deferred income tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

ii) The determination of the Company's and its subsidiaries' functional currency – The functional currency determination will be based on management's assessment of the primary economic environment in which the entities operate.

iii) Assessment of the Company's ability to continue as a going concern – The assessment involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

iv) Business combination versus asset acquisition – Management has assessed the amalgamation completed during the period between a wholly-owned subsidiary of Omni and 1204970 B.C. Ltd. and have concluded that in their view the transaction is an asset acquisition as 4970 did not have any processes capable of generating outputs and therefore did not constitute a business as defined in terms of IFRS 3 Business Combinations.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

i) Share-based payments – The fair value of share-based payments is determined using the Black-Scholes option pricing model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

(Expressed in Canadian Dollars)

ii) Fair value of convertible debentures acquired – The fair value of the convertible debentures acquired through the amalgamation between Omni's wholly-owned subsidiary and 1204970 B.C. Ltd cannot be fully based on observable market parameters and involve judgment that could affect estimated fair value.

4. AMALGAMATION

On September 18, 2019, the Company entered into a definitive transaction agreement (the "Dreamfields Definitive Agreement") with Dreamfields Brands, Inc. ("Dreamfields"), a California-based vertically-integrated cannabis manufacturing, distribution, branding, sales and events company. The Dreamfields Definitive Agreement provided that, subject to the satisfaction of certain conditions precedent, including applicable regulatory and stock exchange approvals, Dreamfields would complete a reverse takeover of the Company, pursuant to which the business of Dreamfields will become the business of the Company.

On April 27, 2020, the Company announced the Dreamfields Definitive Agreement had expired as Dreamfields had not delivered its audited financial statements to the Company and the Company determined that it would not proceed with the contemplated transaction.

On April 16, 2020, the Company announced that it had entered into an amalgamation agreement with a wholly-owned subsidiary of Omni ("Omni Subco") and 1204970 B.C. Ltd. ("4970"), a private British Columbia corporation which is a creditor to Dreamfields, whereby 4970 will become a wholly-owned subsidiary of Omni by way of a "three-cornered amalgamation" (the "Amalgamation"). Upon completion of the Amalgamation, all of the issued and outstanding common shares in the capital of 4970 (the "4970 Shares") held by the holders of the 4970 Shares (the "4970 Shareholders") will be cancelled and replaced by the issued shares of the Company.

On May 11, 2020, the Company completed the Amalgamation between Omni Subco and 4970 and issued 43,505,903 common shares to the 4970 Shareholders. The Company also incurred transaction costs of $148,946 which were included in the total consideration paid by the Company. Upon completion of the Amalgamation, 4970 became a wholly-owned subsidiary of the Company.

At the time of the Amalgamation, 4970's assets consisted solely of a convertible debenture receivable with Dreamfields (the "Convertible Debenture") (Note 6), and it did not have any processes capable of generating outputs; therefore, 4970 did not meet the definition of a business. Accordingly, as 4970 did not qualify as a business in accordance with IFRS 3 Business Combinations, the Amalgamation did not constitute a business combination and has been accounted for as an asset acquisition.

As the Company's shares had been delisted since March 24, 2020, the estimated fair value of the Convertible Debenture acquired was determined to be the consideration paid.

Fair value of identifiable net assets acquired		
Convertible Debenture	$	1,740,604
Total consideration paid		
43,505,903 common shares	$	1,591,664
Transaction costs paid in cash		148,940
	$	1,740,604

(Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES

The Company holds 34,284 common shares of Desert Gold Ventures Inc., a publicly listed company.

		Desert Gold
Balance, April 30, 2018	$	6,000
Unrealized loss		(2,400)
Balance, April 30, 2019		3,600
Unrealized gain		6,685
Balance, July 31, 2020	$	10,285

6. CONVERTIBLE DEBENTURE

The Company's subsidiary, 4970, holds a Convertible Debenture receivable from Dreamfields in the principal amount of $1,643,736. The Convertible Debenture bears interest at 8% per annum and matures on October 28, 2021. The principal amount and any accrued interest are convertible into common shares of Dreamfield at a conversion price of $0.09580355 per share at the option of 4970 at any time.

At the time of the Amalgamation, the fair value of the Convertible Debenture was estimated to be $1,740,604 by discounting the expected future cash flows using the Company's incremental borrowing rate of 10%.

During the three months ended July 31, 2020, the Company recognized interest income of $25,304. As at July 31, 2020, the value of the Convertible Debenture was $1,765,908.

7. LONG-TERM DEPOSITS

CBLT Inc.

On April 24, 2020, the Company entered into a letter of intent (the "CBLT LOI") with CBLT Inc. ("CBLT"). Omni agreed to acquire CBLT's right, title and interest in and to its 56% joint venture interest in the Northshore Gold Property (the "Northshore Property"), located in the Schreiber-Hemlo Greenstone Belt, 115 km west of Hemlo and 200 km east of Thunder Bay, on the terms in the CBLT LOI.

The Company paid a $25,000 non-refundable cash deposit to CBLT on execution of the CBLT LOI, and agreed to pay additional $25,000 non-refundable cash deposit to CBLT upon execution of a definitive agreement.

On completion of the Transaction (the "Closing"), Omni agreed, among other things, to pay $300,000 in cash to CBLT and issue to CBLT an aggregate of $1,100,000 worth of common shares in the capital of Omni (each, an "Omni Share") on a post-Consolidation basis at a price equal to the price of the Sub Receipts (as defined below) (collectively, the "Consideration Shares").

In addition, under the terms of the LOI, Omni agreed to consolidate its total issued and outstanding common shares (each, an "Omni Share") on the basis of five pre-consolidation Omni Shares for one post-consolidation Omni Share (collectively, the "Consolidation") prior to Closing. As at July 31, 2020, the share consolidation has not occurred. The Company also agreed to raise gross proceeds of not less than $1.5 million through the private placement (the "Financing") of subscription receipts of Omni (each, a "Sub Receipt"). Each Sub Receipt will be issued at a subscription price of $0.60 per Sub Receipt on a post-Consolidation basis and will automatically convert into units of the Company (each, a "Unit") in the event of the occurrence of the Escrow Release Condition (as defined herein) with each Unit comprised of one Omni Share and one common share purchase warrant (each, a "Financing Warrant"), with each Financing Warrant entitling the holder to acquire one additional post-Consolidation Omni Share at an exercise price of $1.00 per post Consolidation Omni Share for a period of 2 years from the date of issuance of the Financing Warrant. The Escrow Release Condition is the satisfaction or waiver of all conditions precedent to the Closing.

On June 1, 2020, the Company signed a definitive agreement to acquire the Northshore property and the second $25,000 non-refundable deposit was made to CBLT. As at July 31, 2020, the Company has made payments of $50,000 which were recorded as long-term deposits.

Subsequent to July 31, 2020, the Company completed the acquisition of CBLT's 56% interest in the Northshore Property (Note 14).

Balmoral Resources Ltd.

On June 11, 2020, the Company entered into a signed definitive agreement with Balmoral Resources Ltd. to obtain the remaining 44% of the Northshore property giving the Company 100% ownership. The Company paid $17,500 upon signing of an LOI and paid an additional $17,500 upon the signing of the definitive agreement on June 22, 2020. As at July 31, 2020, the Company has made payments of $35,000 which were recorded as long-term deposits.

In addition to these deposits, the Company has agreed to consideration of:

- Payment of $220,000 in cash consideration in addition to the deposits;
- Agreed to consolidate common shares on the basis of five pre-consolidation shares for one post-consolidation share prior to Closing;
- Issuance of 1,333,333 post-Consolidation common shares of the Company; and
- Agreed to complete the Financing described above.

Subsequent to July 31, 2020, the Company completed the acquisition of Balmoral's 44% interest in the Northshore Property (Note 14).

8. SHARE CAPITAL AND RESERVES

a) Authorized share capital:

Unlimited number of voting common shares without par value
Unlimited number of preferred shares without par value

b) Issued share capital

As at July 31, 2020, the Company had 83,949,560 common shares issued and outstanding (April 30, 2020 – 40,443,657).

During the three months ended July 31, 2020, the Company issued 43,505,903 common shares with an estimated fair value of $1,591,663 in conjunction with the Amalgamation (Note 4).

During the year ended April 30, 2020, the Company returned 154,545 common shares to treasury.

c) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company.

Stock option transactions and the number of share options outstanding are summarized as follows:

(Expressed in Canadian Dollars)

	Number of Options		Weighted Average Exercise Price
Balance, April 30, 2019	102,500		1.23
Expired	(10,000)		2.50
Granted	3,750,000		0.19
Balance, April 30, 2020 and July 31, 2020	3,842,500	$	0.21
Number of options, exercisable	3,842,500	$	0.21

As at July 30, 2020, the following stock options were outstanding and exercisable:

Number of options	Exercise Price	Expiry Date
17,500	$ 2.00	September 21, 2020
37,500	$ 0.90	June 10, 2021
17,500	$ 0.90	October 17, 2021
20,000	$ 0.85	December 6, 2021
3,750,000	$ 0.19	October 28, 2021
3,842,500		

d) Warrants

As at July 31, 2020, warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, April 30, 2019	5,576,622	$	0.10
Expired	(5,576,622)		0.10
Balance, April 30, 2020 and July 31, 2020	-	$	-

9. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its executive officers. During the period ended July 31, 2020 and 2019, the Company incurred the following amounts charged by directors and officers and companies controlled by directors and officers of the Company:

	Nature of transactions		2020		2019
Key management personnel:					
A company controlled by the former CFO	Management	$	15,000	$	15,000
A company controlled by a director	Director compensation		-		6,000
Former CEO	Management		-		30,000
Total		$	15,000	$	51,000

At July 31, 2020 and April 30, 2020, no amounts were owing to related parties.

(Expressed in Canadian Dollars)

10. REVERSAL OF BAD DEBT PROVISION

On June 9, 2018, the Company advanced $50,000 to December 33 Capital Corp., a company in which the Company's former CEO was also CEO. The loan was non-interest bearing, unsecured and was due December 31, 2018. During the year ended April 30, 2019 the loan was fully provided for as it was not repaid.

Effective July 31, 2019, the Company entered into a loan agreement with December 33 (the "Loan Agreement") setting down the terms of the $50,000 advance made by the Company to December 33 (the "Advance") on June 9, 2018. The Loan Agreement provides that the Advance, or any portion thereof outstanding from time to time, accrues interest at a rate of 5% per annum compounded annually. The Advance and any interest accrued thereon is repayable on the date that is 24 months from the date of the Advance, or on such other later date as the Company in its sole discretion may determine on 30 days' prior written demand to December 33. In addition, the Company has the right, at its option, any time prior to the repayment of the Advance in full, to convert all or any portion of the Advance (and any interest accrued thereon) then outstanding into common shares in the capital of December 33 at the price of $0.25 per share. During the three months ended July 31, 2019, the Company reversed the $50,000 provision for bad debt recorded in the prior year and recorded interest income of $3,934.

11. FINANCIAL INSTRUMENTS AND RISK

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash and cash equivalents	Fair Value through Profit and Loss
Convertible Debentures	Fair Value through Profit and Loss
Marketable securities	Fair Value through Profit and Loss
Accounts payable and accrued liabilities	Amortized Cost

The fair value of these accounts payable and accrued liabilities approximates their respective carrying amounts due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and amounts receivable. The Company limits its exposure to credit risk with respect to cash by holding it with major Canadian financial institutions. The Company's GST receivables and are not subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2020, the Company had a cash balance of $927,055 (April 30, 2020 - $1,264,356) to settle current liabilities of $177,358 (April 30, 2020 - $268,707). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) Interest rate risk

The Company has cash and cash equivalent balances and a Convertible Debenture that bear interest at 8% per annum. The Company is satisfied with the credit ratings of its banks and the interest rate on the Convertible Debenture is fixed. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

As at July 31, 2020, the Company had the Canadian equivalent of cash and cash equivalents totaling $73,897 (April 30, 2020 - $16,156) and accounts payable totaling $nil (April 30, 2020 - $385) denominated in US dollars. Assuming all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar would not materially affect the loss and comprehensive loss.

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its capital, which comprises all components of equity (i.e., share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the period ended July 31, 2020.

13. SEGMENTED INFORMATION

For the period ended July 31, 2020, the Company was in the process of changing its business to the mining sector. All long-term assets are located in Canada.

14. SUBSEQUENT EVENTS

North Shore Property

On August 18, 2020, the Company completed the acquisition of CBLT's 56% interest in the Northshore Property and made a cash payment of $350,000 and issued 9,166,666 common shares of the Company (each, a "Consideration Share"). In connection with the transaction, the Company issued 362,500 common shares of the Company to an arm's length finder.

On August 31, 2020, the Company completed the acquisition of Balmoral's 44% interest in the Northshore Property and made a cash payment of $220,000 and issued 6,666,666 common shares in the capital of the Company.

As part of the closing of the transactions, CBLT and Balmoral waived the requirements for the Company to complete the Consolidation and the Financing (Note 7).

All of the Consideration Shares are subject to the terms of a voluntary escrow agreement dated August 18, 2020, which terms include the release of 25% of the Consideration Shares from escrow on each of the days which is four, six, eight and 12 months after the closing of the transaction. The voluntary escrow will be in addition to and any resale restrictions imposed under applicable securities laws. The finder's shares are subject to a hold period expiring four months and one day from the closing of the transaction.

Ready Set Gold Corp.

On August 12, 2020, the Company entered into a definitive agreement (the "Agreement") with Ready Set Gold Corp. ("Ready Set"), and a wholly-owned subsidiary of the Company, 1258952 B.C. Ltd. ("NewCo"), formed for the purpose of completing a three-cornered amalgamation which will result in Ready Set becoming a wholly-owned subsidiary of the Company (the "Transaction").

Ready Set currently owns a 100% undivided interest in and to two separate claim blocks totaling 4,453 hectares located 7 km east of Barrick's Hemlo Mine near Marathon, ON known as the Hemlo Eastern Flanks Project and holds an option to acquire a 100% undivided interest in and to 71 mineral claim cells comprising the Emmons Peak Project located 50 km south of Dryden, Ontario. Both the Helmo Project and Emmons Peak Project are prospective gold properties.

The Agreement provides that Omni will acquire all of the issued and outstanding securities of Ready Set by way of a "three-cornered" amalgamation whereby NewCo and Ready Set will amalgamate pursuant to the Business Corporations Act (British Columbia) to form a new amalgamated entity, which will continue under the name "Ready Set Gold Ontario Ltd." ("AmalCo"), and AmalCo will be a wholly-owned subsidiary of Omni. Following the closing of the Transaction (the "Closing"), the combined company resulting from the Transaction (hereinafter referred to as the "Resulting Issuer") will be renamed "Ready Set Gold Corp." and the business of the Resulting Issuer will be the business of Ready Set.

Prior to Closing, under the terms of the Agreement, Omni has agreed to consolidate its total issued and outstanding common shares on the basis of five pre-consolidation Omni Shares for one post-consolidation Omni Share.

In connection with the Transaction, it is anticipated that Ready Set will complete a concurrent financing consisting of the issuance of a minimum of 2,500,000 subscription receipts at $0.60 each or flow-through subscription receipts at $0.75 each. On closing of the Transaction, each Ready Set subscription receipt will automatically convert and be exchanged for one post-Consolidation Omni Share and one warrant, and each Ready Set flow-through subscription receipt will automatically convert and be exchanged for one post-Consolidation flow-through Omni Share and one warrant. Each warrant will be exercisable for 24 months from closing of the Transaction at an exercise price of $1.00 per post-Consolidation Omni Share.