MAINSTREAM MINERALS CORPORATION
(An Exploration Company)

Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2020 and 2019

(in Canadian dollars, unless otherwise stated)

(unaudited)

Notice of No Auditor 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 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 condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

Mainstream Minerals Corporation

Condensed Interim Consolidated Statements of Financial Position *(unaudited)*
(in Canadian dollars)

		May 31, 2020		November 30, 2019
Assets				
Current assets				
Cash and cash equivalents	$	**4,239**	$	8,378
Other receivables (Note 5)		**10,541**		3,852
Total assets	$	**14,780**	$	12,230
Liabilities				
Current liabilities				
Trade payables (Note 8)		**386,448**		310,876
Other payables (Note 6)		**165,500**		108,250
Total liabilities		**551,948**		419,126
Equity				
Share capital (Note 7)		**7,855,074**		7,855,074
Deficit		**(8,392,242)**		(8,261,970)
Total equity		**(537,168)**		(406,896)
Total liabilities and equity	$	**14,780**	$	12,230

Going concern of operations (Note 1)

Approved on behalf of the board:

Director *"Jessica Whitton"* (signed)

Director *"Kelly Malcolm"* (signed)

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

Mainstream Minerals Corporation

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss *(unaudited)*
For the six months ended May 31, 2020 and 2019 *(in Canadian dollars)*

	Three months ended May 31,		Six months ended May 31	
	2020	2019	**2020**	2019
Expenses:				
Consulting fees	**$ 30,000**	$ 30,000	**$ 60,000**	$ 60,000
Interest and bank charges	**63**	65	**154**	444
Office	**-**	749	**22**	1,288
Professional fees	**49,198**	6,137	**64,038**	20,970
Regulatory filings	**1,163**	3,241	**6,058**	7,444
Net loss and comprehensive loss for the period	**$ (80,424)**	$ (40,192)	**$ (130,272)**	$ (90,146)
Basic and diluted income (loss) per share (Note 7 (c))	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.00

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

Mainstream Minerals Corporation

Condensed Interim Consolidated Statements of Changes in Equity *(unaudited)*
For the six months ended May 31, 2020 and 2019 *(in Canadian dollars)*

		2020		2019
Share capital				
Balance, beginning of period	$	**7,855,074**	$	7,355,074
Shares issued on private placement (Note 7)		**-**		500,000
Balance, end of period	$	**7,855,074**	$	7,855,074
Deficit				
Balance, beginning of period	$	**(8,261,970)**	$	(8,122,332)
Income (loss) and comprehensive income (loss) for the period		**(130,272)**		(90,146)
Balance, end of period	$	**(8,392,242)**	$	(8,212,478)
Total equity, end of period	$	**(537,168)**	$	(357,404)

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

Mainstream Minerals Corporation

Condensed Interim Consolidated Statements of Cash Flows *(unaudited)*
For the six months ended May 31, 2020 and 2019 *(in Canadian dollars)*

		2020		2019
Operating activities				
Cash paid to suppliers	$	**(6,344)**	$	(496,848)
Cash received from receivables		**2,359**		13,008
Interest and bank charges paid		**(154)**		(444)
		(4,139)		(484,284)
Financing activity				
Proceeds from share issuance		**-**		500,000
		-		500,000
Increase (decrease) in cash and cash equivalents		**(4,139)**		15,716
Cash and cash equivalents, beginning of period		**8,378**		-
Cash and cash equivalents, end of period	$	**4,239**	$	15,716

Supplementary information:
The Company did not pay any income taxes during the above reporting periods.

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

1. Corporate information

Mainstream Minerals Corporation (the "Company") is incorporated in Canada pursuant to the Canada Business Corporations Act on July 19, 2006. The address of the Company's registered office is 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1. The Company is a mineral resource Company in the development stage that is engaged in the acquisition of interests in, and in the exploration of, mineral resource properties.

These condensed interim consolidated financial statements of the Company for the six months ended May 31, 2020 were approved and authorized for issue by the Board of Directors of the Company on June 29, 2020.

As at May 31, 2020, the Company had a working capital deficiency of $537,168 (November 30, 2019 – $406,896), had not yet achieved profitable operations, has accumulated losses of $8,392,242 (November 30, 2019 - $8,261,970) and expects to incur future losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interest in mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

When stock market conditions become favourable for mineral exploration companies to raise capital, management plans to secure the necessary financing through a combination of issuance of new equity or debt instruments entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

2. Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Chartered Professional Accountants of Canada applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended November 30, 2019.

There is doubt about the appropriateness of the use of the going concern assumption because the Company has experienced significant losses and has experienced negative cash flows from operations over a number of years.

The Company will need to raise additional working capital, as it does not have sufficient working capital to fund its operations. In the current financial environment, there is a risk that the Company will be unable to raise sufficient funds, thus jeopardizing the Company's ability to continue as a going-concern.

The ability of the Company to continue as a going concern and to be able to realize on its assets and discharge its liabilities is dependent upon the Company's ability to obtain sufficient funding for its operations and its current exploration expenditure commitments and is ultimately dependent on the recoverability of the amounts capitalized to exploration and evaluation assets. The Company has not yet determined whether its mineral properties contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the Company's exploration and development programs are successful, additional funds may be required, and the Company may not have sufficient funds to conduct the mineral exploration required. The primary source of future funds available to the Company is through the sale of additional equity capital, which may dilute the interests of existing shareholders. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligations. In the event where it cannot meet its obligations, it may lose its properties and incur other liabilities relating to flow-through share issuance commitments, if any.

These unaudited condensed interim consolidated financial statements do not reflect any adjustments to carrying values of assets and liabilities and the reported expenses and condensed interim consolidated statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. Summary of significant accounting policies, judgments and estimates

These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Company as at and for the year ended November 30, 2019.

Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2019.

4. Newly adopted accounting policy

Effective December 1, 2019, the Company adopted IFRS 16 – Leases. The standard was issued by the IASB on January 13, 2016, and will replace IAS 17, "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The Company assessed that the new standard does not have any impact on the Company's financial statements.

For the six months ended May 31, 2020 and 2019 (in Canadian dollars)

5. Other receivables

The Company's other receivables are comprised of the following:

		May 31, 2020		May 31, 2019
Goods and services tax recoverable	**$**	**10,541**	$	4,966

6. Other payables

The Company's other payables are comprised of the following:

		May 31, 2020		May 31, 2019
Accrued liabilities	**$**	**165,500**	$	59,607

7. Share capital

a. Authorized

Authorized share capital consists of an unlimited number of common shares.

b. Changes in issued common shares during the period ended May 31, 2020:

	Number of common shares		Amount
Balance, November 30, 2018	67,102,130	$	7,355,074
Shares issued on private placement	50,000,000		500,000
Balance, May 31, 2020 and November 30, 2019	117,102,130	$	7,855,074

c. Loss per share

The calculation of basic and diluted loss per share, for the period ended May 31, 2020 and 2019 is based on the following losses and number of shares:

		2020		2019
Net loss and comprehensive loss for the period	$	(130,272)	$	(90,146)
Weighted average number of shares		117,102,130		104,190,042

All of the outstanding stock options and warrants were anti-dilutive for the relevant periods.

7. Related party transactions

(a) Key management personnel compensation

The company did not pay employment-based remuneration to directors, officers or other members of key management for the period ended May 31, 2020 and 2019. However, the Company did pay contract-based remuneration to directors, officers and other members of key management as disclosed in Note 7(b).

For the six months ended May 31, 2020 and 2019 (in Canadian dollars)

7. Related party transactions (continued)

(b) Other related party transactions

Included in these interim condensed consolidated financial statements are the following related party transactions, which have been determined by negotiation amongst the related parties. These transactions are in the normal course of operations and are measured at the same value as if the transactions had occurred with non-related parties.

	May 31, 2020	May 31, 2019
Consulting expenses	$ 60,000	$ 60,000

(c) Related party balances

Included in trade payables and other payables at May 31, 2020 is $160,000 (2019 – $60,000) due to related parties. Such amounts are due on demand, non-interest bearing and are unsecured.

8. Financial instruments

(a) Risk management and hedging activities

In the normal course of operations, the Company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not meaningfully participate in the use of financial instruments to control these risks. The Company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

(i) Currency risk

The Company does not hold any assets or liabilities denominated in a foreign currency.

(ii) Price risk

The Company is exposed to price risk with respect to commodity prices. As the Company is not a producing entity, this risk does not currently affect earnings; however, the risk could affect the completion of future equity transactions. The Company monitors commodity prices of precious metals and the stock market to determine the timing, nature and extent of equity transactions.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the entity. The Company is exposed to credit risk on cash and other receivables. Cash is held with an established Canadian bank and the Company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The Company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets recorded in the financial statements in the amount of $14,780 (November 30, 2019 - $12,230) represents the maximum exposure to credit risk at the reporting date.

For the six months ended May 31, 2020 and 2019 (in Canadian dollars)

8. Financial instruments (continued)

(a) Risk management and hedging activities (continued)

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the Company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at May 31, 2020, the Company has a working capital deficiency in the amount of $537,168 (November 30, 2019 - $406,896).

The contractual maturities of financial liabilities at May 31, 2020 and 2019, based on the earliest date on which payment can be required, were as follows:

As at May 31, 2020	Total amount	Six month or less	More than six months
Trade payables	$ 386,448	$ 386,448	$ -
Other payables	165,500	165,500	-
	$ 551,948	$ 551,948	$ -

As at May 31, 2019	Total amount	Six month or less	More than six months
Trade payables	$ 296,129	$ 296,129	$ -
Other payables	59,607	59,607	-
Demand promissory note payable	22,350	22,350	-
	$ 378,086	$ 378,086	$ -

(v) Interest rate risk

The Company is not exposed to any meaningful interest rate risk due to the short-term nature of its interest generating asset.

(b) Sensitivity analysis

The Company has cash and cash equivalents subject to interest rate risk of approximately $42 (2019 - $157). A 1% change in the primary interest rate would affect the reported net income, on an annualized basis, by an immaterial amount.

(c) Fair values, carrying amounts and changes in fair value

The fair values of the Company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into the following three levels:

Level 1 includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 includes inputs that are observable other than quoted prices included in level 1.
Level 3 includes inputs that are not based on observable market data.

9. Capital management

As the Company is in the exploration stage, its principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to maintain its exploration programs for the benefit of its stakeholders. To meet the objectives, management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific exploration properties on a case by case basis. The Company is not subject to externally imposed capital requirements. Management is of the opinion that the amounts and changes in the Company's capital is readily determinable in these financial statements.

10. Subsequent event

Subsequent to May 31, 2020, the Company announced that it has entered into a binding letter of intent (the "LOI") with Plutus Super Flow-Through Limited Partnership ("Plutus") whereby the Company will acquire: (i) 100% of the shares of, and (ii) the rights to acquire share of, "principal-business corporations" (as defined in subsection 66(15) of the Income Tax Act (Canada)) (the "Portfolio") owned by Plutus, subject to the terms and conditions of the LOI.