ROCKSHIELD CAPITAL CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
AUGUST 31, 2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

ROCKSHIELD CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	August 31, 2020 $	November 30, 2019 $
ASSETS			
Current assets			
Cash		2,690,586	3,083,702
Amounts receivable	7(c)	3,000	13,700
GST receivable		3,230	-
Prepaid expenses		7,962	13,125
Investments	4	2,361,361	2,857,819
Total current assets		5,066,139	5,968,346
Non-current assets			
Investment in and advances to REWP	6	1	1
Total non-current assets		1	1
TOTAL ASSETS		5,066,140	5,968,347
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		30,585	31,064
TOTAL LIABILITIES		30,585	31,064
SHAREHOLDERS' EQUITY			
Share capital	7	24,865,933	24,865,933
Share-based payments reserve		4,138,324	4,076,853
Deficit		(23,968,702)	(23,005,503)
TOTAL SHAREHOLDERS' EQUITY		5,035,555	5,937,283
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,066,140	5,968,347

Nature of Operations - Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on October 30, 2020 and are signed on its behalf by:

/s/ Dave Doherty	*/s/ Nick DeMare*
Dave Doherty	Nick DeMare
Director	Director

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

ROCKSHIELD CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended		Nine Months Ended	
		August 31, 2020 $	August 31, 2019 $	August 31, 2020 $	August 31, 2019 $
Expenses					
Accounting and administration	7(a)(ii)	6,000	7,800	31,550	37,450
Audit		-	-	27,500	27,836
Corporate development		-	2,525	-	2,525
Insurance		4,375	2,917	13,125	11,667
Legal		-	-	710	-
Management compensation	7(a)(i)	40,414	27,654	97,792	129,954
Office		220	1,294	3,670	4,080
Professional fees		-	3,575	-	8,250
Regulatory		1,385	2,450	6,443	9,423
Rent		516	-	7,164	-
Share-based compensation	6(f)	17,187	47,468	61,471	164,405
Shareholder costs		-	135	-	2,597
Transfer agent		558	3,062	1,892	4,390
Travel		-	4,673	3,984	16,183
Website		660	660	2,123	1,980
		71,315	104,213	257,424	420,740
Loss before other items		(71,315)	(104,213)	(257,424)	(420,740)
Other items					
Realized (loss) gain on sale of investments	4	(8,787)	797,562	(935,742)	1,473,467
Unrealized gain (loss) on investments	4	460,471	(1,740,868)	209,712	(5,142,792)
Interest income		3,270	10,244	19,401	25,043
Other income		-	27,000	-	207,000
Foreign exchange		70	(815)	854	1,709
		455,024	(906,877)	(705,775)	(3,435,573)
Net income (loss) and comprehensive income (loss) for the period		383,709	(1,011,090)	(963,199)	(3,856,313)
Income (loss) per share - basic and diluted		$0.01	$(0.02)	$(0.02)	$(0.08)
Weighted average number of common shares outstanding - basic and diluted		45,595,354	46,054,021	45,595,354	46,538,550

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

ROCKSHIELD CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended August 31, 2020				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at November 30, 2019	45,595,354	24,865,933	4,076,853	(23,005,503)	5,937,283
Share-based compensation			61,471	-	61,471
Net loss for the period	-	-	-	(963,199)	(963,199)
Balance at August 31, 2020	45,595,354	24,865,933	4,138,324	(23,968,702)	5,035,555

	Nine Months Ended August 31, 2019				
	Share Capital				
	Number of Common Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at November 30, 2018	47,680,854	26,003,283	3,900,933	(19,093,827)	10,810,389
Repurchase of common shares	(2,026,500)	(1,105,174)	-	924,547	(180,627)
Share-based compensation	-	-	164,405	-	164,405
Net loss for the period	-	-	-	(3,856,313)	(3,856,313)
Balance at August 31, 2019	45,654,354	24,898,109	4,065,338	(22,025,593)	6,937,854

ROCKSHIELD CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended August 31	
	2020 $	2019 $
Operating activities		
Net loss for the period	(963,199)	(3,856,313)
Adjustments for:		
Realized loss (gain) on sale of investments	935,742	(1,473,467)
Unrealized (gain) loss on investments held	(209,712)	5,142,792
Share-based compensation	61,471	164,405
Changes in non-cash working capital items:		
Amounts receivable	10,700	69,910
GST receivable	(3,230)	-
Prepaid expenses	5,163	6,621
Accounts payable and accrued liabilities	(479)	13,611
Net cash (used in) provided by operating activities	(163,544)	67,559
Investing activities		
Proceeds from sale of investments	628,147	3,417,610
Investment purchases	(857,719)	(1,862,897)
Net cash provided by (used in) provided by investing activities	(229,572)	1,554,713
Financing activity		
Repurchase of common shares	-	(180,627)
Net cash used in financing activity	-	(180,627)
Net change in cash	(393,116)	1,441,645
Cash at beginning of period	3,083,702	2,278,777
Cash at end of period	2,690,586	3,720,422

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

1. Nature of Operations

Rockshield Capital Corp. (the "Company") is a publicly-traded Canadian based venture capital firm focused on investments in early stage companies with high growth potential. The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol "RKS". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

These condensed consolidated interim 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 operations for the foreseeable future. During the nine months ended August 31, 2020 the Company recorded net loss of $963,199 and, as at August 31, 2020, had working capital of $5,035,554. The Company believes that it has adequate financial resources to cover current levels of corporate operations and expected investment purchases for the next twelve months. However, as a junior venture capital firm, the Company is subject to risks and challenges similar to other companies in a comparable stage. These risks include, but are not limited to, dependence on key individuals, investment risks, market risks, illiquid securities and the ability to maintain adequate cash flows and continuing as a going concern. See also Note 4.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern or be unable to realize its assets or discharge its liabilities in the normal course of business. Such adjustments can be material.

On March 11, 2020 the World Health Organization ("WHO") declared the outbreak of a novel coronavirus, identified as "COVID-19", as a global pandemic. In order to combat the spread of COVID-19 governments worldwide, including Canada, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any intervention. The outbreak has adversely impacted the value of the Company's investment portfolio. 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 Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2019, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's audited consolidated financial statements for the year ended November 30, 2019 other than, effective December 1, 2019, the Company adopted IFRS 16 - *Leases* ("IFRS 16").

IFRS 16*,* which replaces IAS 17 - *Leases* and its associated interpretative guidance specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019.

Management has determined that there was no impact on the Company's condensed consolidated interim financial statements upon the adoption of this new standard.

2. Basis of Preparation (continued)

Basis of Measurement and Presentation

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

3. Subsidiaries

The wholly-owned subsidiaries of the Company are as follows:

Company	Location of Incorporation	Principal Activity
Rockshield Plywood Corp. ("Rockshield Plywood")	Canada	Inactive holding company
Pelaya Copper Corporation	Canada	Inactive holding company

4. Investments

The Company's investments in marketable securities include common shares and other equity instruments of Canadian and U.S. companies that are listed on various Canadian stock exchanges or the OTCQB. The Company also has investments in common shares of private companies which plan to publicly list their shares.

Management has designated its investments in common shares and warrants of companies as "investments in equity/debt instruments" with the change in fair value recognized in profit or loss. The carrying values of the listed common shares and warrants have been directly referenced to published price quotations in an active market. The carrying values of equity and debt investments in unlisted private companies are valued at fair value using non-observable market inputs based on specific company information and general market conditions. The carrying values of the unlisted warrants are valued at fair value using the Black-Scholes option pricing model.

During the nine months ended August 31, 2020 the Company sold certain of its investments for proceeds totalling $628,147 (2019 - $3,417,610) and recognized a loss of $935,742 (2019 - gain of $1,473,467). In addition, the Company recorded an unrealized loss of $209,712 (2019 - $5,142,792) on investments held.

The continuation of the COVID-19 pandemic outbreak has adversely impacted the value of the Company's investment portfolio. 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 investment portfolio at this time.

5. Investment in and Advances to Rockshield Engineered Wood Products ULC ("REWP")

Prior to fiscal 2018 the Company held an ownership interest of 33.72% in REWP and had made substantial loans and advances. At that time the Company considered that it had significant influence of REWP and, accordingly, the investment had been accounted for under the equity method. During fiscal 2017 the Company had recognized cumulative equity losses to reduce its net carrying value in REWP to $nil and impaired the loans, advances and accrued interest to a nominal amount of $1.

(Unaudited - Expressed in Canadian Dollars)

5. Investment in and Advances to Rockshield Engineered Wood Products ULC ("REWP") (continued)

In fiscal 2018 the Company advanced a further $179,207 to REWP. This amount was fully impaired. REWP has made further cash calls to its shareholders in which the Company declined to participate. The Company's ownership interest in REWP has now been effectively diluted to 18.47%. and further dilution will continue as REWP obtains additional funding from its other shareholders . In addition, the Company no longer has effective board representation. Due to these factors, the Company considers that it no longer has significant influence of REWP and that the equity method is no longer appropriate.

6. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Equity Financings*

No financings were conducted by the Company during the nine months ended August 31, 2020 or fiscal 2019.

(c) *Normal Course Issuer Bid*

On October 22, 2018 the Company filed a normal course issuer bid (the "NCIB") which authorized the Company to repurchase for cancellation up to 4,693,610 common shares. During the nine months ended August 31, 2019 the Company repurchased a total of 2,026,500 common shares for $180,622 cash consideration. The difference between the purchase price and the carrying value of the common shares was $924,547. The NCIB expired on October 22, 2019.

(d) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at August 31, 2020 and 2019 and the changes for the nine months ended on those dates is as follows:

	2020		2019	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	1,236,499	0.80	1,236,499	0.80
Expired	(1,236,499)	0.80	-	-
Balance, end of period	-		1,236,499	0.80

(e) *Share Option Plan*

On October 24, 2016 a fixed share option plan (the "Fixed Share Option Plan") was approved by the Company's Board of directors and later ratified by the Company's shareholders. Under the Fixed Share Option Plan a total of 4,552,785 common shares have been reserved for issuance. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of directors and have a maximum term of ten years.

During the nine months ended August 31, 2020 and 2019 the Company did not grant any share options under the Fixed Share Option Plan. As at August 31, 2020 no share options were outstanding.

(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

(f) *Deferred Share Unit ("DSU") Plan*

On October 24, 2016 the DSU Plan was also approved by the Company's Board of directors and subsequently ratified by the Company's shareholders. Under the DSU Plan, an eligible participant may elect to receive DSUs up to 100% of his or her annual base compensation. In addition, the Board may award additional DSUs to the participant. The maximum number of DSUs that may be granted pursuant to the DSU Plan is 4,552,785 DSUs.

On January 5, 2018 the Company granted 1,500,000 DSUs. The granted DSUs shall vest: one-third on the first anniversary; one-third on the second anniversary; and the remaining one-third on the third anniversary. As at August 31, 2020, 950,000 DSUs vested and are issuable to the grantee upon departure from the Company and 100,000 DSUs were cancelled.

During the nine months ended August 31, 2020 the Company recognized $61,471 (2019 - $116,937) as share-based compensation expense and, as the Company intends to settle the DSUs through equity settlement, a correspondingly credit to share-based payments reserve.

7. Related Party Disclosures

(a) Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(i) During the nine months ended August 31, 2020 and 2019 the following amounts were incurred with respect to these positions:

	2020 $	2019 $
Management compensation	97,792	129,954
Share-based compensation on DSUs	50,087	137,004
	147,879	266,958

As at August 31, 2020 $21,448 (November 30, 2019 - $13,879) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the nine months ended August 31, 2020 the Company incurred a total of $31,550 (2019 - $37,450) by Chase Management Ltd. ("Chase"), a private corporation owned by the Chief Financial Officer ("CFO"), for accounting and administration services provided by Chase personnel, excluding the CFO. As at August 31, 2020 $5,500 (November 30, 2019 - $5,900) remained unpaid and has been included in accounts payable and accrued liabilities.

During the nine months ended May 31, 2020 the Company also recorded $11,384 (2019 - $27,401) share-based compensation for 250,000 DSUs granted to Chase.

(b) During the nine months ended August 31, 2019 the Company invoiced Rockshield Acquisition Corp. and Rockshield Opportunities Corp. ("Rockshield Opportunities") a total of $207,000 for accounting, management and administration services provided. No fees were charged by the Company during the nine months ended August 31, 2020.

(c) During the nine months ended August 31, 2020 the Company advanced $3,000 to Rockshield Opportunities. The advance is non-interest bearing and repayable on demand. As at August 31, 2020 the amount remained unpaid.

(Unaudited - Expressed in Canadian Dollars)

8. Segmented Information

Information on reportable segments is as follows:

	August 31, 2020			
	Corporate $	Investments $	Investment in and Advances to REWP $	Total $
Interest income	19,401	-	-	19,401
Realized loss on sale of investments	-	(935,742)	-	(935,742)
Unrealized loss on investments held	-	209,712	-	209,712
Segment loss	(237,169)	(726,030)	-	(963,199)
Segment assets	2,704,778	2,361,361	1	5,066,140

	November 30, 2019			
	Corporate $	Investments $	Investment in and Advances to REWP $	Total $
Interest income	39,730	-	-	39,730
Other income	216,000	-	-	216,000
Realized gain on sale of investments	-	1,441,064	-	1,441,064
Unrealized loss on investments held	-	(6,058,374)	-	(6,058,374)
Segment loss	(247,995)	(4,617,310)	-	(4,865,305)
Segment assets	3,110,527	2,857,819	1	5,968,347

9. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; and FVOCI. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	August 31, 2020 $	November 30, 2019 $
Cash	FVTPL	2,690,586	3,083,702
Amounts receivable	Amortized cost	3,000	13,700
Investments	FVTPL	2,361,361	2,857,819
Investment and advances to REWP	Amortized cost	1	1
Accounts payable and accrued liabilities	Amortized cost	(30,585)	(31,064)

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

Fair Value

The fair values of the Company's financial assets and liabilities approximates the carrying amounts either due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

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:

(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management (continued)

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash and investments approximate their fair value. The fair value of cash, amounts receivable and investment in common shares under the fair value hierarchy is measured using Level 1 and Level 3 inputs. The fair value of the investment in warrants is measured using Level 2 inputs.

The following is an analysis of the Company's financial assets measured at fair value as at August 31, 2020 and November 30, 2019:

	August 31, 2020		
	Level 1 $	Level 2 $	Level 3 $
Cash	2,690,586	-	-
Amounts receivable	3,000	-	-
Investments	2,290,805	3,056	67,500
	4,984,391	3,056	67,500

	November 30, 2019		
	Level 1 $	Level 2 $	Level 3 $
Cash	3,083,702	-	-
Amounts receivable	13,700	-	-
Investments	2,724,041	-	133,778
	5,821,443	-	133,778

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management (continued)

	Contractual Maturity Analysis at August 31, 2020				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	2,690,586	-	-	-	2,690,586
Amounts receivable	3,000				3,000
Investments	2,361,361	-	-	-	2,361,361
Investment in and advances to REWP	-	-	1	-	1
Accounts payable and accrued liabilities	(30,585)	-	-	-	(30,585)

	Contractual Maturity Analysis at November 30, 2019				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	3,083,702	-	-	-	3,083,702
Amounts receivable	13,700	-	-	-	13,700
Investments	2,857,819	-	-	-	2,857,819
Investment in and advances to REWP	-	-	1	-	1
Accounts payable and accrued liabilities	(31,064)	-	-	-	(31,064)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and demand deposits bear floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Equity Price Risk

The Company holds investments in publicly traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. See also Note 1.

(c) Concentration Risk

As at August 31, 2020, $1,999,170 of the Company's portfolio of investments were held in four companies. These investments represents approximately 85% of the Company's investment portfolio and poor performance in the market price of these investments could adversely affect the Company's results.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its investment. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new investment opportunities as they arise and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's approach to capital management during the nine months ended August 31,2020 or fiscal 2019. The Company is not subject to any externally imposed capital requirements.