2552883 Ontario Inc.

Condensed Interim Financial Statements

At June 30, 2020 and 2019

(in Canadian dollars, unless otherwise stated)

(unaudited)

2552883 Ontario Inc.
Condensed Interim Statements of Financial Position
(Unaudited)
Expressed in Canadian dollars

	June 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash	**$ 17,946**	$ 478,139
Receivables	**99,210**	33,481
Loan receivable *(Note 7)*	**559,320**	428,233
	$ 676,476	$ 939,853
Investments	**65,742**	66,508
	$ 742,218	$ 1,006,361
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	**$ 151,410**	$ 173,560
Flow-through share premium liability	**190,882**	210,095
Loan payable *(Note 7)*	**220,000**	220,000
	562,292	603,655
Long-term liabilities		
Canadian Emergency Business Account *(Note 4)*	**30,000**	---
	592,292	603,655
Shareholders' equity		
Share capital *(Note 5)*	**1,368,750**	1,368,750
Warrant reserve	**244,389**	244,389
Deficit	**(1,463,213)**	(1,210,433)
	149,926	402,706
	$ 742,218	$ 1,006,361

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

On behalf of the Board:
Signed:

"Bruce Reid"

Director

2552883 Ontario Inc.

Condensed Interim Statements of Loss and Comprehensive Loss
For the three and six months ended June 30, 2020 and 2019
(Unaudited)

Expressed in Canadian dollars, except shares and per share amounts

	3 months ended June 30, 2020	3 months ended June 30, 2019	6 months ended June 30, 2020	6 months ended June 30, 2019
Expenditures				
General and administration	**$ 1,587**	$ 57	**$ 25,769**	$ 208
Professional fees	**11,405**	---	**42,955**	---
Project expenditures	**15,940**	---	**72,503**	---
Management and consulting	**70,000**	---	**140,000**	---
Loss before other (income)/expenses and taxes	**98,932**	57	**281,227**	208
Forgiven Canadian Emergency Business Account (Note 4)	**(10,000)**	---	**(10,000)**	---
Revaluation on investment	**---**	4,983	**766**	9,775
Loss before income taxes	**88,932**	5,040	**271,993**	9,983
Future tax recovery	**(4,224)**	---	**(19,213)**	---
Loss and comprehensive loss for the period	**$ 84,708**	$ 5,040	**$ 252,780**	$ 9,983
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Weighted average number of shares outstanding during the period - basic and diluted	**68,993,217**	52,275,001	**68,993,217**	52,275,001

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

2552883 Ontario Inc.

Condensed Interim Statements of Changes in Deficit

For the six months ended June 30, 2020 and 2019
(Unaudited)
Expressed in Canadian dollars

	Share Capital	Warrants	Deficit	Total
Balance at December 31, 2018	**$ 844,301**	**$ 106,082**	**$ (877,475)**	**$ 72,908**
Loss for the period	---	---	(9,983)	(9,983)
Warrant expiry	---	(20,262)	20,262	---
Balance at December June 30, 2019	**$ 844,301**	**$ 85,820**	**$(867,196)**	**$ 62,925**
Balance at December 31, 2019	**$ 1,368,780**	**$ 244,389**	**$ (1,210,433)**	**$ 402,908**
Loss for the period	---	---	(252,780)	(252,780)
Balance at June 30, 2020	**$ 1,368,780**	**$ 244,389**	**$(1,463,213)**	**$ 149,926**

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

2552883 Ontario Inc.

Condensed Interim Statements of Cash Flows

For the six months ended June 30, 2020 and 2019

(Unaudited)

Expressed in Canadian dollars

	2020	2019
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	$ (252,780)	$ (9,983)
Forgiven Canadian Emergency Business Account	(10,000)	---
Investment revaluation	766	9,775
Tax recovery	(19,213)	---
Net change in non-cash working capital items:		
Amounts receivable	(65,729)	---
Accounts payable and accrued liabilities	(22,150)	(111,631)
	(369,106)	(111,839)
FINANCING ACTIVITIES		
Loan receivable	(131,087)	45,000
Canadian Emergency Business Account	40,000	---
	(91,087)	45,000
Net decrease in cash	(430,193)	(66,839)
Cash, beginning of period	478,139	79,079
Cash, end of period	$ 17,946	$ 12,240

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

1. CORPORATE INFORMATION

2552883 Ontario Inc. (the "Company") was incorporated under the laws of Ontario on December 21, 2016. The Company acquires, explores, and develops mineral properties in Manitoba, Canada.

The Company was originally set up as a means to access funds needed by 55 North Mining Inc. ("55 North"), as 55 North was unable to raise equity as a result of being cease-traded by various Canadian securities commissions. The intention was to eventually merge the two companies. This was achieved in September 2020 (see Note 10).

The Company's corporate head office and registered is located at 401 Bay Street, Suite 2702, Toronto ON M5H 2Y4. The Company is not a reporting issuer, as defined in corporate law, and its shares are not currently listed for trading on any stock exchange.

Going Concern

In addition to ongoing working capital requirements, the Company may be required to secure sufficient funding for exploration and development programs, general and administration costs. Although management may have been successful in the past in undertaking financing, there can be no assurance that management will be able to do so in the future on terms acceptable to the Company.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of operations for the foreseeable future. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and statement of financial position classifications that might be necessary if the Company was unable to continue as a going concern. These adjustments could be material.

These condensed interim financial statements of the Company for the three and six months ended June 30, 2020 were approved and authorized for issue by the Board of Directors of the Company on October 28, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

a) Basis of presentation:

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part I of the Chartered Professional Accountants Canada Handbook. These financial statements have been prepared under the historical cost method, except for certain financial instruments measured at fair value. The Company has consistently applied the accounting policies used in preparation of these financial statements throughout all the periods presented. Critical accounting judgments and estimates used by management in the preparation of these financial statements are presented in Note 3.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency. All reference to dollars ($) are to Canadian dollars unless otherwise noted.

These condensed interim 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 December 31, 2019, except for the accounting changes noted below. Accordingly, these condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONT'D)

b) Accounting changes

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. None of these is expected to have a significant effect on the Consolidated Financial Statements of the Company.

The Conceptual Framework for Financial Reporting (revised in 2018) has been updated to expand on the existing Conceptual Framework by focusing on the elements of financial statements, recognition and derecognition, measurement, and presentation and disclosure. The standard is effective for annual periods beginning on or after January 1, 2020. These new standards and changes did not have any material impact on the Company's financial statements.

Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors has been updated. The definition of "material" is being clarified for purpose of improving consistency and application of the concept where applicable. The standard is effective for annual periods beginning on or after January 1, 2020. This new standard and changes did not have any material impact on the Company's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to use estimates and judgments that affect the reported amounts of assets and liabilities, as well as revenues and expenses. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in net loss in the period in which they become known.

The recoverability of deferred expenditures is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and attaining profitable production.

The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax provision. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

4. CANADIAN EMERGENCY BUSINESS ACCOUNT

As a result of COVID-19, the Canadian federal government created the Canada Emergency Business Account ("CEBA"), designed to provide some financial assistance to qualifying Canadian companies. In April 2020, the Company applied for this funding and received $40,000 as an unsecured, non-interest-bearing demand loan. This loan is due on or before December 31, 2022. If paid before this time, $10,000 of the loan is forgiven. If not paid by this date, interest at a rate of 5% per annum, will need to be paid monthly.

Expressed in Canadian dollars unless otherwise indicated

5. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares with each common share entitled to one vote.

b) Common shares issued:

	Number of Shares	Stated Capital
Balance, December 31, 2018	**52,275,001**	**844,301**
Share issuance - private placement	16,718,216	925,025
Warrant allocation	---	(158,569)
Share issue costs	---	(30,000)
Flow-through premium	---	(212,007)
Balance, December 31, 2019 and June 30, 2020	**68,993,217**	**$ 1,368,750**

On September 10, 2019, a director of the Company subscribed for 1,562,500 units at a price of 0.08 per unit for proceeds of $125,000. Each unit was comprised of one common share and one half of a warrant, with each warrant exercisable at $0.18 per share until September 10, 2022. In August 2020, the terms of these warrants were changed to an expiration date of December 31, 2022.

On September 10, 2019, the Company closed a private placement, issuing 14,285,716 flow-through units for proceeds of $750,000. Each unit was comprised of one flow-through common share and one half warrant with each warrant exercisable at $0.18 per share until September 10, 2022. In August 2020, the terms of these warrants were changed to an expiration date of December 31, 2022.

On December 31, 2019, the Company closed a private placement, issuing 870,000 flow-through units for proceeds of $50,025. Each unit was comprised of one flow-through common share and one half warrant with each warrant exercisable at $0.18 per share until December 31, 2022.

6. WARRANTS

A summary of the status of the Company's outstanding warrants and changes are as follows:

	Jun. 30, 2020		Dec. 31, 2019	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance, beginning	**22,634,108**	**$ 0.10**	**22,275,000**	**$ 0.05**
Granted	—	—	8,359,108	0.18
Expired	—	—	(8,000,000)	0.05
Balance, ending	**22,634,108**	**$ 0.10**	**22,634,108**	**$ 0.10**

On July 13, 2020, the Company issued 1,666,666 warrants to 1911 Gold Inc., for services rendered in connection with various corporate activities. Each warrant is exercisable at $0.18 per share until December 31, 2022.

Expressed in Canadian dollars unless otherwise indicated

6. WARRANTS (CONT'D)

At June 30, 2020, there were 22,634,108 warrants outstanding, with each warrant entitling the holder to acquire one common share of the company at the prices noted below:

Number	Exercise Price	Remaining Contractual Life In Years	Expiry Date
9,000,000	$0.05	0.50	December 28, 2020
5,275,000	$0.05	4.51	December 24, 2020
7,924,108	$0.18	2.20	September 10, 2024 (1)
435,000	$0.18	2.50	December 31, 2024 (2)
22,634,108	**$0.07**	**2.06**	

Notes:

(1) In August 2020, the terms of these warrants were changed to an expiration date of December 31, 2022.
(2) In August 2020, the terms of these warrants were changed to an exercise price of $0.18 and with an expiration date of December 31, 2022.

7. RELATED PARTY TRANSACTIONS

The loan receivable as at June 30, 2020 of $559,320 (December 31, 2019 - $428,233) is due from a company under common management, and is non-interest bearing, unsecured and repayable on demand.

The Company's Chairman and CEO was owed $220,000 at June 30, 2020 (December 31, 2019 - $220,000). This liability is non-interest bearing, unsecured and repayable on demand.

During the six months ended June 30, 2020, the Company's CEO and CFO was paid $Nil and $30,000, respectively in compensation (six months ended June 30, 2019 - $NIL and $NIL, respectively).

8. CAPITAL MANAGEMENT

The Company's total capital balance of $149,926 consists of $1,368,750 of share capital, $244,389 of warrant reserve, with an offsetting deficit of $1,463,213.

The Company's objectives when managing capital, which consists of shareholders' equity, are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and adjusts 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 adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital from time-to-time using a variety of measures. Monitoring procedures are typically performed as a part of the overall management of the Company's operations. The Company's strategy during the period, which was unchanged from the prior period, was to maintain its ability to secure access to financing at a reasonable cost. The requirements and terms of sources of capital cannot be predicted and change in ways the Company cannot predict.

9. RISK MANAGEMENT AND FAIR VALUES

Management's risk management policies are typically performed as a part of the overall management of the Company's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Company is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Company has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Company, management considers the avoidance of undue concentrations of risk. The risks and the actions taken to manage them include the following:

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company's main sources of liquidity are external sources of debt and equity. The funds are primarily used to finance working capital and capital expenditure requirements. At June 30, 2020, the Company's had a working capital balance of $114,184.

Accounts payable, accrued liabilities, advance payable due to related parties and promissory note payable are due within one year.

Credit risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Company also may review credit history before establishing credit and review credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information.

A financial asset is past due when a debtor has failed to make a payment when contractually due. The Company has no financial assets that are past due and does not have an allowance for doubtful accounts receivable.

Currency risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. Changes in the applicable exchange rate may result in a decrease or increase in foreign exchange income or expense. The Company only enters into transactions in Canadian dollars and is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. Obtaining a promissory note with a fixed interest rate minimizes cash flow risk.

Other price risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. Mineral prices are affected by numerous factors such as the sale or purchase by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and other foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world.

9. RISK MANAGEMENT AND FAIR VALUES (CONT'D)

Fair values

The fair values of the Company's financial assets and liabilities consisting of cash, accounts receivable, advances to related party, accounts payable, due to related parties and promissory note payable approximate their recorded values as at June 30, 2020 and December 31, 2019 due to their short-term nature. The Company's financial instruments are classified as level 1 except for investments which is classified as level 2.

Fair value is an estimate of the amount at which items might be exchanged in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. Fair value should not be interpreted as an amount that could be realized in immediate settlement of the instruments. The estimate of fair value at the end of the periods may not represent fair values at any other date. The determination of fair value is also affected by the use of judgment and by uncertainty.

10. SUBSEQUENT EVENTS

In 2020, the outbreak of the novel strain of coronavirus ("COVID-19") has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused an economic slowdown and material disruption to business. Management has experienced a slow-down in the ability to transact business as a result of the self-isolating measures. Government has reacted with interventions intended to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial performance and financial position of the Company in future periods.

On July 2, 2020, certain creditors agreed to receive a total of 1,500,000 common shares in settlement of $150,000 debt owed to them, with each share issued at $0.10 per share.

On July 13, 2020, the Company issued 1,666,666 warrants to 1911 Gold Inc., for services rendered in connection with various corporate activities. Each warrant is exercisable at $0.18 per share until December 31. 2022.

On September 2, 2020, 55 North announced that it had completed its acquisition of the Company through a reverse takeover arrangement (the "RTO").

Prior to completion of the RTO, 55 North consolidated all of its issued and outstanding shares on a 10.13:1 basis. On closing, 55 North issued post-consolidation shares in exchange for the outstanding shares of the Company on a one to one basis. As a result, 70,493,217 shares of 55 North were issued giving the shareholders of the Company control of approximately 89.99% of the issued and outstanding share capital of 55 North. 55 North then immediately cancelled all of the Company's shares and was amalgamated with 55 North Mining Operations Inc., a wholly owned subsidiary of 55 North. All warrants to purchase shares of the Company have carried over to now purchase shares of 55 North on a one to one basis.

55 North was valued by comparing the value of the shares retained by 55 North shareholders in comparison with the valuation of the Company prior to the RTO. 55 North was valued at $750,953. This value was allocated between the remaining net assets acquired with the difference charged to loss and comprehensive loss for the period as a cost of acquiring the listing.

Expressed in Canadian dollars unless otherwise indicated

10. SUBSEQUENT EVENTS (CONT'D)

As a result of the RTO the net assets acquired by the Company of 55 North are as follows:

Current assets	$	665,954
Current liabilities		(206,087)
Net assets acquired	$	459,867
Value of shares issued by the Company to acquire 55 North	$	750,953
Consideration paid in excess of net assets acquired	$	291,086

The consideration paid in excess of net assets acquired, together with related transaction costs will be expensed as a charge related to acquiring a public company listing

On September 24, 2020, the Company announced that it closed a non-brokered private placement for gross proceeds of $1,403,416. 6,672,080 flow through units at $0.20 per unit were issued for gross proceeds of $1,334,416. Each flow through unit consists of one common flow through share and one warrant entitling the holder to acquire one additional common share at a price of $0.30 per share for 48 months. 460,000 non-flow through units at $0.15 per unit were issued for gross proceeds of $69,000. Each non-flow through unit consists of one common share and one warrant entitling the holder to acquire on additional common share at $0.30 per share for 48 months.

As part of the compensation for the finder's fees the Company paid $105,520 to certain eligible finders and issued 500,000 options that entitle the holder to acquire one common share for $0.20 per share for 48 months and 36,800 options that entitle the holder to purchase one common share for $0.15 per share for 48 months.

On October 16, 2020, the Company announced that it closed the second tranche of a non-brokered private placement for gross proceeds of $836,000, made up of $824,000 in flow through financing and $12,000 in non-flow through financing. The flow through financing consisted of 4,120,000 flow through units ("FT Units"). Each FT Unit was priced at $0.20 each for gross proceeds of $824,000. Each FT Unit is comprised of one flow through common share and one non-flow-through purchase warrant entitling the holder to acquire one additional common share at a price of $0.30 per share for 48 months from the date of issuance. The non-flow through financing consisted of 80,000 units ("NFT Units") priced at $0.15 each for gross proceeds of $12,000. Each NFT Unit is comprised of one common share and one common share purchase warrant entitling the holder to acquire one additional common share at a price of $0.30 per share for 48 months from the date of issuance.