

CANADA COAL INC.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020 AND 2019
(EXPRESSED IN CANADIAN DOLLARS)**

(UNAUDITED-PREPARED BY MANAGEMENT)

These financial statements have not been reviewed by the Company's auditor.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Canada Coal Inc. for the three and six month period ended March 31, 2020 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. 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 an auditor has not reviewed the financial statements.

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 independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

CANADA COAL INC.**UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION****(EXPRESSED IN CANADIAN DOLLARS)****AS AT**

	March 31, 2020	September 30, 2019
ASSETS		
Current		
Cash and cash equivalents (Note 7)	\$ 1,223,760	\$ 1,357,011
Receivables (Note 8)	6,844	3,466
Prepaid expenses (Note 9)	396	5,146
Total Assets	\$ 1,231,000	\$ 1,365,623
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 14,041	\$ 18,683
Total Liabilities	14,041	18,683
Shareholders' equity		
Capital stock (Note 11)	7,936,101	7,936,101
Reserves (Note 11)	300,941	300,941
Deficit	(7,020,083)	(6,890,102)
Total Shareholders' Equity	1,216,959	1,346,940
Total Liabilities and Shareholders' Equity	\$ 1,231,000	\$ 1,365,623

Nature and continuance of operations (Note 1)**Commitments and contingencies** (Note 13)**Subsequent events** (Note 14)**On behalf of the Board:**

"R. B. Duncan", Director

"T. A. Fenton", Director

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CANADA COAL INC.**UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE THREE AND SIX MONTHS ENDED MARCH 31**

	Three months ended March 31, 2020	Three months ended March 31, 2019	Six months ended March 31, 2020	Six months ended March 31, 2019
EXPENSES				
Management fees (Note 10)	\$ 39,000	\$ 39,000	\$ 78,000	\$ 78,000
Office, rent, and miscellaneous	3,841	3,673	7,859	7,221
Professional fees (Notes 10)	1,223	(4,220)	1,223	(1,990)
Shareholder communications and promotion	-	-	2,090	-
Transfer agent and filing fees	12,496	3,345	17,098	6,793
Opportunity investigation costs (Note 10)	2,713	7,381	30,703	41,686
Loss before other items	59,273	49,179	136,973	131,710
OTHER ITEMS				
Investment income	(3,026)	(4,262)	(6,992)	(8,432)
Net loss and comprehensive loss for the period	\$ 56,247	\$ 44,917	\$ 129,981	\$ 123,278
Basic and diluted net loss per common share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding – basic and diluted	31,724,875	31,724,875	31,724,875	31,724,875

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CANADA COAL INC.**UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS****(EXPRESSED IN CANADIAN DOLLARS)****FOR THE SIX MONTHS ENDED MARCH 31**

	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (129,981)	\$ (123,278)
Change in non-cash working capital items:		
(Increase) decrease in receivables	(3,378)	860
Decrease in prepaid expenses	4,750	4,750
(Decrease) in accounts payable and accrued liabilities	(4,642)	(29,352)
Net cash flows (used by) operating activities	(133,251)	(147,020)
(Decrease) in cash and cash equivalents	\$ (133,251)	\$ (147,020)
Cash and cash equivalents, beginning of period	1,357,011	1,596,128
Cash and cash equivalents, end of period	\$ 1,223,760	\$ 1,449,108

Cash and cash equivalents, comprised of:

Cash	\$ 112,214	\$ 353,225
Short term money market investments	1,111,546	1,095,883
	\$ 1,223,760	\$ 1,449,108

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CANADA COAL INC.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(EXPRESSED IN CANADIAN DOLLARS)

FOR THE

	Number of Shares	Capital Stock	<i>Reserves</i>		Deficit	Total
			Equity Settled Share-Based Payments Reserve	Warrant Reserve		
Balance, September 30, 2018	31,724,875	\$ 7,936,101	\$ 115,039	\$ 187,392	\$ (6,668,775)	\$ 1,569,757
Expiry of options	-	-	(1,490)	-	1,490	-
Net loss and comprehensive loss for the six month period	-	-	-	-	(123,278)	(123,278)
Balance, March 31, 2019	31,724,875	\$ 7,936,101	\$ 113,549	\$ 187,392	\$ (6,790,563)	\$ 1,446,479
Net loss and comprehensive loss for the six month period	-	-	-	-	(99,539)	(99,539)
Balance, September 30, 2019	31,724,875	\$ 7,936,101	\$ 113,549	\$ 187,392	\$ (6,890,102)	\$ 1,346,940
Net loss and comprehensive loss for the six month period	-	-	-	-	(129,981)	(129,981)
Balance, March 31, 2020	31,724,875	\$ 7,936,101	\$ 113,549	\$ 187,392	\$ (7,020,083)	\$ 1,216,959

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CANADA COAL INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020 AND 2019

1. NATURE AND CONTINUANCE OF OPERATIONS

Canada Coal Inc. (hereafter the "Company" or "Canada Coal") was incorporated on August 26, 2010 under the Business Corporation Act (Ontario) under the name Pacific Coal Corp. On April 12, 2011, the Company changed its name to Canada Coal Inc. The Company's principal business has been the acquisition and exploration of coal properties in Nunavut, Canada however it is currently exploring other business opportunities. The Company has not generated significant revenues from its operations.

The Company's head office is located at 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9.

These condensed consolidated interim financial statements were approved by the Board of Directors on April 13, 2020.

These condensed consolidated interim financial statements have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at March 31, 2020, the Company had working capital of \$1,216,959 and an accumulated deficit of \$7,020,083 compared with working capital of \$1,346,940 and an accumulated deficit of \$6,890,102 as at September 30, 2019. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations. These condensed consolidated interim financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Accordingly, these condensed consolidated interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes.

3. BASIS OF PRESENTATION

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

4. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2019 and were prepared using the same accounting policies, method of computation and presentation as were applied in the annual financial statements for the year ended September 30, 2019, except for the changes noted below.

In January 2016, the IASB issued IFRS 16 "Leases" ("IFRS 16"), which requires lessees to recognize assets and liabilities for most leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively. The adoption of IFRS 16 did not have any impact on the Company's financial statements as the Company does not have any leases.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The adoption of these amendments did not have a material impact on the financial statements of the Company.

CANADA COAL INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020 AND 2019

5. 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 the acquisition, exploration and development of mineral properties. 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. Management considers the Company's capital structure to primarily consist of the components of shareholder's equity.

The Company is dependent on external financing to fund its activities. In order to carry out future activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company continues to seek and assess new opportunities to acquire an interest in additional properties or projects if it feels there is sufficient geologic or economic potential 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 were no significant changes in the Company's approach to capital management during the three and six months ended March 31, 2020.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

6. FINANCIAL RISK FACTORS

There have been no changes in the risks, objectives, policies and procedures from the previous period. The Company's risk exposures and the impact on the Company's condensed consolidated interim financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to receivables. The receivables primarily relate to sales tax due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to its receivables is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has sufficient cash to meet its current short and mid-term funding requirements.

Market risk

(a) Interest rate risk

The Company has cash balances therefore, interest rate risk is minimal.

(b) Foreign currency risk

The majority of the Company's administrative expenditures are transacted in Canadian dollars. The Company funds certain expenses in the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. Management does not hedge its foreign exchange risk. A 1% change in foreign exchange rates between the Canadian and US dollar at March 31, 2020 would not have a significant impact on the Company's condensed consolidated interim financial statements.

(c) Price risk

The Company is exposed to price risk with respect to equity prices as there is a potential adverse effect on the Company due to movements in individual equity prices or the stock market in general.

CANADA COAL INC.**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020 AND 2019****6. FINANCIAL RISK FACTORS (Continued)****(d) Sensitivity analysis**

Based on management's knowledge and experience of the financial markets, the Company does not expect material movements in the underlying market risk variables over the next three month period.

7. CASH AND CASH EQUIVALENTS

The Company's short term money market instruments accrue interest at 0.20% -1.60% per annum (2019: 1.6% per annum) and are redeemable at any time without penalty.

8. RECEIVABLES

The receivables balance is comprised of the following item:

	March 31, 2020	September 30, 2019
Sales tax due from Federal Government	\$ 6,844	\$ 3,466
Total	\$ 6,844	\$ 3,466

9. PREPAID EXPENSES

The prepaid expense balance is comprised of the following item:

	March 31, 2020	September 30, 2018
Insurance	\$ 396	\$ 5,146
Total	\$ 396	\$ 5,146

10. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them or any companies where they are also a director or officer.

Trading Transactions

The Company entered into the following transactions with related parties for the six months ended March 31:

	Nature of transactions	Notes	2020	2019
West Oak Capital	Management fees	a	\$ 48,000	\$ 48,000
Olga Nikitovic	Management fees	b	\$ 30,000	\$ 30,000
Aird & Berlis	Legal fees	c	\$ 29,145	\$ 34,907

a) West Oak Capital Partners Inc. ("West Oak") is owned by R. B. Duncan, the Company's Executive Chairman of the Board and CEO. The fees paid to West Oak are included in management fees.

b) Olga Nikitovic is the CFO of the Company. The fees paid relate to financial management and accounting services and are classified as management fees.

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10. RELATED PARTY TRANSACTIONS (Continued)

c) Tom Fenton, Director and Corporate Secretary for the Company is a partner with Aird & Berlis LLP. Fees of \$1,942 (2019: \$2,230) are included in professional fees and fees of \$27,203 (2019: \$32,677) are included in opportunity investigation costs. Legal fees included in accounts payable at March 31, 2019 are \$Nil (2019: \$Nil). This balance payable is unsecured, non-interest bearing and due on demand.

Compensation of key management personnel

	Notes	Six months ended March 31, 2020	Six months ended March 31, 2019
Salaries	a	\$ 78,000	\$ 78,000
Total		\$ 78,000	\$ 78,000

a) The Company does not pay any directors' fees nor does the Company pay any health or post employment benefits. The salaries include the fees for the Executive Chairman, CEO and CFO and are included in trading transactions above.

11. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS**Capital stock**

The Company has authorized an unlimited number of common shares without par value. As at March 31, 2020, the Company had 31,724,875 common shares outstanding (September 30, 2019 : 31,724,875).

There were no capital transactions during the six months ended March 31, 2020.

Share purchase warrants

As at March 31, 2020, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price \$	Number of Warrants Outstanding	Weighted average remaining contractual life (years)	Number of Warrants Exercisable
January 23, 2021	0.20	5,000,000	0.81	5,000,000
		5,000,000	0.81	5,000,000

CANADA COAL INC.**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020 AND 2019

11. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (Continued)

The following is a summary of the share purchase warrant transactions for the six months ended March 31, 2020 and the year ended September 30, 2019.

	Six months ended March 31, 2020		Year ended September 30, 2019	
	Number Of Warrants	Weighted Average Exercise Price \$	Number Of Warrants	Weighted Average Exercise Price \$
Balance, beginning of the period	5,000,000	0.20	5,000,000	0.20
Warrants issued	-	-	-	-
Warrants exercised	-	-	-	-
Warrants expired	-	-	-	-
Balance, end of period	5,000,000	0.20	5,000,000	0.20

Stock options

The Company may grant stock options pursuant to a stock option plan (the "Plan") which was established in accordance with the policies of the TSX Venture Exchange. The Board of Directors administers the Plan, pursuant to which the Board may grant from time to time incentive stock options up to an aggregate maximum of 10% of the issued and outstanding shares of the Company to directors, officers, employees, consultants or advisors. The options can be granted for a maximum of 10 years.

As at March 31, 2020, the following incentive stock options were outstanding:

Expiry Date	Exercise Price \$	Options Outstanding and Exercisable	
		Number of Options Outstanding and Exercisable	Weighted average remaining contractual life (years)
September 22, 2021	0.10	1,250,000	1.48
		1,250,000	1.48

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FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020 AND 2019

11. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (Continued)**Stock options (Continued)**

The following is a summary of the stock option transactions for the six months ended March 31, 2020 and the year ended September 30, 2019.

	Six months ended March 31, 2020		Year ended September 30, 2019	
	Number Of Options	Weighted Average Exercise Price \$	Number Of Options	Weighted Average Exercise Price \$
Balance, beginning of the period	1,250,000	0.10	1,350,000	0.12
Options granted	-	-	-	-
Options expired	-	-	(100,000)	0.40
Balance, end of period	1,250,000	0.10	1,250,000	0.10

Stock-based compensation

There were no options granted during the six months ended March 31, 2020 and 2019.

12. SEGMENTED INFORMATION

The Company previously operated in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. The Company currently has no project. As the operations comprise a single reporting segment, amounts disclosed in the condensed consolidated interim financial statements also represent segment amounts.

13. COMMITMENTS AND CONTINGENCIES

The Company entered into certain management contracts which contain clauses requiring additional payments of up to \$409,000 to be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed consolidated interim financial statements.

14. SUBSEQUENT EVENTS

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.