

Waraba Gold Limited
(formerly Zenith Exploration Inc.)
CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
Three Months Ended October 31, 2020 and 2019
(Expressed in Canadian Dollars)

These unaudited condensed interim financial statements of Waraba Gold Limited (Zenith Exploration Inc.) for the three months ended October 31, 2020, have been prepared by management and approved by the Board of Directors. These unaudited condensed interim financial statements have not been reviewed by the Company's external auditors.

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Condensed Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	October 31, 2020	July 31, 2020
ASSETS			
Current assets			
Cash		\$ 7,961	\$ 106,789
Receivables	5	32,733	35,133
Tax credit receivable	3	50,972	50,972
		91,666	192,894
Exploration and evaluation assets	3	347,657	347,657
TOTAL ASSETS		\$ 439,323	\$ 540,551
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 104,471	13,120
TOTAL LIABILITIES		\$ 104,471	\$ 13,120
SHAREHOLDERS' EQUITY			
Share capital	4	1,162,891	1,162,891
Contributed surplus	4	71,901	71,901
Deficit		(899,940)	(707,361)
TOTAL SHAREHOLDERS' EQUITY		334,852	527,431
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 439,323	\$ 540,551

Nature and continuance of operations (Note 1)

Subsequent events (Note 9)

Approved by the Board of Directors and authorized for issue on December 29, 2020:

"Jesse Hahn"

Jesse Hahn, Director

"Carl Esprey"

Carl Esprey, Director

See accompanying notes to the condensed interim financial statements.

Waraba Gold Limited (formerly Zenith Exploration Inc.)
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

			Three months ended October 31,	
			2020	2019
Expenses				
Management fees	5	\$	82,270	\$ -
Consulting fees	5		10,000	-
Office and miscellaneous			44	27
Professional fees			12,165	17,515
Project generation			81,350	-
Regulatory fees			2,250	6,666
Shareholder information			-	55
Transfer agent			4,500	1,700
		\$	(192,579)	\$ (25,963)
Other Items				
Gain on deconsolidation			-	5,100
Loss and comprehensive loss for the period		\$	(192,579)	\$ (20,863)
Loss per share – basic and diluted		\$	(0.00)	\$ (0.00)
Weighted average number of common shares outstanding			38,796,411	28,796,411

See accompanying notes to the condensed interim financial statements.

Waraba Gold Limited (formerly Zenith Exploration Inc.)
Condensed Interim Statement of Changes in Shareholder's Equity
(Unaudited - Expressed in Canadian Dollars)

	Note	Share capital		Reserves	Deficit	Total
		Number of shares	Amount			
Balance at July 31, 2019		28,796,411	\$ 1,147,897	\$ 71,901	\$ (601,424)	\$ 618,374
Transfer of properties to former subsidiaries	3	-	(180,745)	-	-	(180,745)
Loss for the period		-	-	-	(20,863)	(20,863)
Balance at October 31, 2019		28,796,411	\$ 967,152	\$ 71,901	\$ (622,287)	\$ 416,766
Balance at July 31, 2020		38,796,411	\$ 1,162,891	\$ 71,901	\$ (707,361)	\$ 527,431
Loss for the period		-	-	-	(192,579)	(192,579)
Balance at October 31, 2020		38,796,411	1,162,891	71,901	\$ (899,940)	334,852

See accompanying notes to the condensed interim financial statements.

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Three months ended October 31,	
	2020	2019
Operating activities		
Net loss for the period	\$ (192,579)	\$ (20,863)
Changes in non-cash working capital items:		
Receivables	(5,538)	(1,064)
Due from former subsidiaries	-	(15,242)
GST receivable	7,938	-
Prepaid expenses and advances	-	-
Accounts payable and accrued liabilities	91,351	(7,971)
Net cash flows used in operating activities	(98,828)	(45,140)
Change in cash	(98,828)	(45,140)
Cash, beginning	106,789	117,711
Cash, ending	\$ 7,961	\$ 72,571

See accompanying notes to the condensed interim financial statements.

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Interim Financial Statements

For the Three Months Ended October 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

1. Nature and continuance of operations

Waraba Gold Limited (formerly Zenith Exploration Inc.) (the "Company") was incorporated on June 19, 2015, under the laws of the Province of British Columbia, Canada. On October 23, 2020, the Company changed its name to Waraba Gold Limited. The Company is a resource exploration company that is acquiring and exploring mineral properties.

The head office, principal address, records office and registered address of the Company are located at 1080 - 789 West Pender Street, Vancouver BC. The Company trades on the Canadian Securities Exchange (the "Exchange") under the trading symbol "WBGD".

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At October 31, 2020, the Company had not yet achieved profitable operations, had accumulated losses of \$899,940 (July 31, 2020 - \$707,361) since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

2. Significant accounting policies and basis of preparation

These condensed interim financial statements were approved and authorized for issue on December 29, 2020 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Certain information and note disclosures normally included in the audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. As a result, these condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2020.

Basis of preparation

The condensed interim financial statements of the Company have been prepared on a historical cost basis except for certain financial assets measured at fair value. These condensed interim financial statements are presented in Canadian dollars unless otherwise specified.

Certain comparative figures have been reclassified to conform to the current period's presentation.

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Interim Financial Statements
For the Three Months Ended October 31, 2020 and 2019
(Unaudited - Expressed in Canadian Dollars)

2. Significant accounting policies and basis of preparation (continued)

Accounting standards issued but not yet applied

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

3. Exploration and evaluation assets

Scotch Creek Property

On November 14, 2017, the Company entered into a definitive agreement to purchase eight (8) mineral claims covering 1,384.12 hectares comprising the Scotch Creek Property in the Kamloops Mining Division of British Columbia. In connection with the Scotch Creek Property agreement, the Company and vendors have also executed a royalty deed agreement pursuant to the terms and consideration of which the vendors shall receive a net smelter return royalty of 2% from the Company. Two directors of the Company are vendors of the property.

In consideration for a 100% undivided interest in the property, the Company issued 15,000,000 common shares for total consideration of \$300,000.

The following is a description of the Company's exploration and evaluation assets as of October 31, 2020:

		Scotch Creek
Property acquisition costs		
Balance, beginning and ending	\$	300,000
Exploration and evaluation costs		
Balance, beginning and ending		47,657
Balance, ending	\$	347,657

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Interim Financial Statements
 For the Three Months Ended October 31, 2020 and 2019
 (Unaudited - Expressed in Canadian Dollars)

3. Exploration and evaluation assets (cont'd)

The following is a description of the Company's exploration and evaluation assets and the related expenditures incurred for the year ended July 31, 2020:

	Scotch Creek	Golden Girl	Mantle	Total
Property acquisition costs				
Balance, beginning of period	\$ 300,000	\$ 8,000	\$ 8,000	\$ 316,000
Additions	-	-	-	-
Transfer to former subsidiaries		(8,000)	(8,000)	(16,000)
Balance, ending	300,000	-	-	300,000
Exploration and evaluation costs				
Balance, beginning	7,839	79,086	82,166	169,091
Costs incurred during the period:				
Assessment report	49,773	-	-	49,773
Management fees	-	1,596	1,897	3,493
Transfer to former subsidiaries	-	(80,682)	(84,063)	(164,745)
	57,612	-	-	57,612
Other Items:				
Exploration tax credits	(9,955)	-	-	(9,955)
Balance, ending	\$ 347,657	\$ -	\$ -	\$ 347,657

4. Share capital***Authorized share capital***

Unlimited number of common shares without par value.

Issued share capital

At October 31, 2020, there were 38,796,411 (July 31, 2020 – 38,796,411) issued and fully paid common shares.

Stock options

During the three months ended October 31, 2020, certain officers, directors and former officers and directors have forfeited all their share purchase options.

As at October 31, 2020, there were no stock options outstanding and exercisable (July 31, 2020 - 2,879,641).

Warrants

As of October 31, 2020, and July 31, 2019, 10,000,000 warrants were outstanding and exercisable.

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Interim Financial Statements
For the Three Months Ended October 31, 2020 and 2019
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5. Related party transactions

Payments to key management and directors during the three months ended October 31, 2020 and 2019 were as follows:

	October 31, 2020	October 31, 2019
Management fees paid to officers or to companies controlled by officers	\$ 82,270	\$ -
Consulting fees paid to directors	10,000	-
Total compensation	\$ 92,270	\$ -

During the three months ended October 31, 2020, certain officers, directors and former officers and directors have forfeited all their share purchase options.

Included in receivables as at October 31, 2020 is \$1,915 (July 31, 2020 - \$1,415) due from directors.

As at October 31, 2020 (July 31, 2020 - \$Nil), there are no amounts due to directors.

7. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

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Notes to the Condensed Interim Financial Statements
For the Three Months Ended October 31, 2020 and 2019
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7. Financial risk and capital management (cont'd)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Fair value

The Company's financial instruments consist of cash, receivables, accounts payables and accrued liabilities. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments. Cash is measured at fair value using Level 1 inputs.

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

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

8. Segmented information

The Company operates in a single reportable operating segment – exploration and evaluation business in Canada.

9. Subsequent events

On November 19, 2020, the Company closed a non-brokered private placement and issued 7,599,375 units at a price of \$0.20 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional common share at a price of \$1.00 per common share for 12 months following the closing date of the non-brokered private placement.