

**EXPRESS CAPITAL CORP.**

Condensed Interim Financial Statements

Six Months Ended January 31, 2021

Expressed in Canadian dollars - Unaudited

**EXPRESS CAPITAL CORP.**

Condensed Statements of Financial Position  
(Expressed in Canadian dollars – Unaudited)

	Note	January 31, 2021	July 31, 2020
		\$	\$
Assets			
Current assets and total assets			
Cash		613,162	15,940
Prepaid		5,749	-
Receivable	4, 7	7,539	-
Total current assets and total assets		626,450	15,940
Non-current assets			
Exploration and valuation assets	3	126,659	-
Total non-current assets		126,659	-
Total assets		753,109	15,940
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable		10,123	25,189
Accrued liabilities		14,350	8,390
Loan payable	7	-	2,809
Due to related party	7	-	22,575
Flow through share liability	8	73,380	-
Total current liabilities		97,853	58,963
Shareholders' deficit			
Share capital	4	783,533	121,000
Subscriptions received in advance	4	-	21,000
Warrants reserve	4	129,500	-
Deficit		(257,777)	(185,023)
Total shareholders' deficit		655,256	(43,023)
Total liabilities and shareholders' deficit		753,109	15,940

Nature and continuance of operations (Note 1)  
Subsequent event (Note 9)

Approved on behalf of the Board:

"Chris Cooper"

Chris Cooper, Director

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

**EXPRESS CAPITAL CORP.**

Condensed Statements of Comprehensive Loss  
(Expressed in Canadian dollars – Unaudited)

	Note	Three Months Ended January 31, 2021	Three Months Ended January 31, 2020	Six Months Ended January 31, 2021	Six Months Ended January 31, 2020
		\$	\$	\$	\$
Administrative expenses					
General and administrative		5,387	488	8,396	1,774
Consulting		31,898	2,625	40,898	2,625
Transfer agent and filing fees		6,833	1,809	9,244	2,898
Management fees	7	9,450	-	17,700	-
Legal and accounting		12,912	4,463	30,403	6,755
		66,480	9,385	106,641	14,052
Other					
Reversal of flow-through share liability	8	(33,887)	-	(33,887)	-
<b>Net and comprehensive loss</b>		<b>32,593</b>	<b>9,385</b>	<b>72,754</b>	<b>14,052</b>
<b>Weighted average number of outstanding shares</b>		<b>16,733,244</b>	<b>5,010,549</b>	<b>13,207,005</b>	<b>5,010,549</b>
<b>Basic and diluted loss per share</b>		<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>

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**EXPRESS CAPITAL CORP.**

Condensed Statements of Changes in Shareholders' Equity (Deficit)  
(Expressed in Canadian dollars – Unaudited)

	Share capital		Subscriptions received in advance	Warrants reserve	Deficit	Total shareholders' equity (deficit)
	Number	Amount				
		\$	\$	\$	\$	\$
Balance, July 31, 2019	5,010,549	121,000	-	-	(129,664)	(8,664)
Net and comprehensive loss	-	-	-	-	(14,052)	(14,052)
Balance, January 31, 2020	5,010,549	121,000	-	-	(143,716)	(22,716)
Subscriptions received in advance	-	-	21,000	-	-	21,000
Net and comprehensive loss	-	-	-	-	(41,307)	(41,307)
Balance, July 31, 2020	5,010,549	121,000	21,000	-	(185,023)	(43,023)
Shares issued (Note 4)	12,750,666	744,800	(21,000)	129,500	-	853,300
Shares issued for evaluation and exploration asset (Notes 3, 4)	500,000	25,000	-	-	-	25,000
Flow-through share premium (Note 8)	-	(107,267)	-	-	-	(107,267)
Net and comprehensive loss	-	-	-	-	(72,754)	(72,754)
Balance, January 31, 2021	18,261,215	783,533	-	129,500	(257,777)	655,256

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**EXPRESS CAPITAL CORP.**

Condensed Statements of Cash Flows  
(Expressed in Canadian dollars – Unaudited)

	Six Months Ended January 31, 2021	Six Months Ended January 31, 2020
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss	(72,754)	(14,052)
Adjustment for non-cash item		
Reversal of flow-through share liability	(33,887)	-
Changes in non-cash working capital items		
Prepaid	(5,749)	-
Accounts receivable	(39)	-
Accounts payable	(15,066)	5,681
Accrued liabilities	(7,176)	-
Cash used in operating activities	(134,671)	(8,371)
Financing activities		
Repayment of related party loans	(25,384)	2,809
Proceeds from issuance of shares	845,800	-
Cash provided by financing activities	820,416	2,809
Investing activities		
Acquisition of exploration and evaluation asset	(88,523)	-
Cash used in investing activities	(88,523)	-
Increase (decrease) in cash	597,222	(5,562)
Cash, beginning	15,940	6,172
Cash, ending	613,162	610

Significant non-cash transactions:

For the six months ended January 31, 2021, the non-cash transactions were as follows

- Included in exploration and evaluation assets is \$13,136 in accrued liabilities and;
- Included in exploration and evaluation assets is \$25,000 in share capital and;
- Included in receivable is \$7,500 in share capital and;
- Warrant reserve of \$129,500 transferred from share capital and;
- Flow-through share liability of \$107,267 transferred from share capital.

For the six months ended January 31, 2020, there were no significant non-cash transactions.

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

## **EXPRESS CAPITAL CORP.**

For the year six months ended January 31, 2021

(Expressed in Canadian dollars – Unaudited)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Express Capital Corp. (the “Company”) was incorporated on November 11, 2014 under the laws of British Columbia, Canada. The Company is a reporting issuer in British Columbia and Alberta. The Company is engaged in the business of mineral exploration. The Company's corporate head office is located at Suite 1910, 1030 West Georgia Street, Vancouver, British Columbia, Canada.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, and its financial success will be dependent upon the extent to which it can successfully develop its exploration and evaluation assets and whether those assets contain ore reserves that are economically recoverable. The development of the Company's business may take many years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. On January 31, 2021, the Company had not yet achieved profitable operations, incurred a net loss of \$72,754 (2019: \$14,052) for the period then ended, had a deficit of \$257,777 (July 31, 2020: \$185,023), and expects to incur losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern.

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 2021.

The financial statements were approved by the Board of Directors on April 13, 2021.

### **2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these condensed interim financial statements should be read in conjunction with the Company's July 31, 2020 audited annual financial statements and the notes to such financial statements.

These condensed interim financial statements are based on the IFRS issued and effective on the date these condensed interim financial statements were authorized for issuance by the Company's Board of Directors and follow the same accounting policies and methods of computation as the most recent annual financial statements. These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value and are presented in Canadian dollars, which is also the Company's functional currency. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

New standards, amendments, and interpretations

The Company has reviewed the impact of new and amended standards that are effective for annual periods beginning on or after August 1, 2020. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.

## EXPRESS CAPITAL CORP.

For the year six months ended January 31, 2021

(Expressed in Canadian dollars – Unaudited)

### 3. EXPLORATION AND EVALUATION ASSETS

On August 31, 2020, the Company entered into a property option agreement (“Option Agreement”) where it can acquire up to an 80% interest in the Golden Moon Property (the “Property”), comprised of 10 mineral claims located in the Province of Quebec, by spending \$450,000 on the Property on or before December 31, 2023 or cash payments in lieu thereof and issuing 1,500,000 common shares.

Under the Option Agreement, the Company can earn a 60% interest in the 7 claims and an 80% interest in the 3 claims by making the following payments: (i) issuance of 500,000 common shares on or before September 10, 2020 (issued); (ii) issuance of an additional 500,000 common shares and commitment expenditure of \$205,000 on or before December 31, 2021; (iii) issuance of an additional 500,000 common shares and cumulative commitment expenditure of \$350,000 on or before December 31, 2022; and (iv) cumulative commitment expenditure of \$450,000 on or before December 31, 2023.

If the Company is unable to purchase an additional 20% interest in the 7 claims from the two other holders of the 7 claims on or before December 31, 2023, then under the Option Agreement the Company shall have the right to earn an additional 20% interest in the 7 Claims from the Optionor, for a total interest of 80%, by incurring additional exploration expenditures in the amount of \$500,000 on the Property and making a cash payment of \$100,000 to the Optionor on or before December 31, 2024.

Upon successful exercise of the option by the Company, the parties shall negotiate and execute a joint venture agreement whereby the Optionor’s remaining interest in the Property shall be converted to a non-contributory carried interest until commencement of commercial production after which, (i) the Optionor’s interest shall become participating; and (ii) the Optionor shall pay its attributed portion of the total development and construction costs to commercial production, using 4/5ths of its share of the payments derived from the joint venture.

During the period ended January 31, 2021, the Company issued 500,000 common shares valued at \$0.05 per share pursuant to the Option Agreement (Note 4).

	<b>Golden Moon Property (Quebec, Canada)</b>
	\$
Balance, July 31, 2020	Nil
Acquisition costs (Note 4)	25,000
Exploration costs	
Geological	25,307
Consultants	412
Drilling	75,940
Total additions	101,659
Balance, January 31, 2021	126,659

## EXPRESS CAPITAL CORP.

For the year six months ended January 31, 2021

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### 4. SHARE CAPITAL

#### *Common shares*

The Company has authorized an unlimited number of Class A common shares without par value.

#### *Share Issuances*

On November 24, 2020, the Company issued 740,000 units at a price of \$0.10 per Unit for gross proceeds of \$74,000. Each Unit comprised of one Class A common share of the Company and one Class A common share purchase warrant at an exercise price of \$0.20 for a period of three years. The warrants are valued at \$37,000.

On November 20, 2020, the Company issued 1,850,000 units at a price of \$0.10 per Unit for gross proceeds of \$185,000. Each Unit comprised of one Class A common share of the Company and one Class A common share purchase warrant at an exercise price of \$0.20 for a period of three years. The warrants are valued at \$92,500.

On November 20, 2020, the Company issued 4,290,666 flow-through Class A common shares at a price of \$0.075 per share for gross proceeds of \$321,800. Included in receivables is \$7,500 deposited subsequent to January 31, 2021.

On September 10, 2020, the Company issued 500,000 Class A common shares at \$0.05 per share, for a fair value of \$25,000 pursuant to the property option agreement to acquire up to an 80% interest in the Golden Moon Property (Note 3).

On August 24, 2020, the Company issued 5,870,000 Class A common shares for proceeds of \$293,500 at a price of \$0.05 per share.

#### *Preferred shares*

The Company has authorized an unlimited number of Class B preferred shares without par value. There are no preferred shares issued to date.

#### *Warrants*

Warrant transactions and the number of warrants outstanding are summarized as follows:

	<b>January 31, 2021</b>	
	Number of warrants	Weighted average Exercise price
Warrants, beginning of the period/year	-	\$ -
Granted	2,590,000	0.20
Warrants, end of the period/year	2,590,000	\$ 0.20

At January 31, 2021, the following warrants were outstanding and exercisable:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise price (\$)	Expiry date
1,850,000	-	0.20	November 20, 2023
740,000	-	0.20	November 24, 2023
2,590,000	-		



## EXPRESS CAPITAL CORP.

For the year six months ended January 31, 2021

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### 5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

	Ref.	January 31, 2021	July 31, 2020
		\$	\$
Other financial assets	a	620,701	15,940
Other financial liabilities	b	(10,123)	(50,573)

*a. Comprised of cash and receivable.*

*b. Comprised of accounts payable, loans and due to related party.*

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

The Company's financial instruments are exposed to certain financial risks, which include the following:

#### **Credit risk**

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk has been assessed as high.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. Liquidity risk has been assessed as high.

#### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

#### **Currency Risk**

Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company does not have any assets or liabilities denominated in foreign currencies and engages in very few transactions denominated in a foreign currency; therefore, its exposure to currency risk is limited.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or 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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### **6. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary asset. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. There were no changes in the Company's approach to capital management since inception. The Company is not subject to any external capital requirements.

### **7. RELATED PARTY TRANSACTIONS**

As at January 31, 2021, receivables include \$39 (July 31, 2020 – due to \$22,575) due from the director and accounts payable includes \$941 (July 31, 2020 - \$nil) due to a shareholder of the Company and/or companies controlled by them and \$nil (July 31, 2020 - \$2,809) for a loan from a shareholder. The amounts are unsecured, non-interest bearing and has no fixed terms of repayment.

During the six months ended January 31, 2021, the Company incurred management fees of \$17,700 (2020 - \$10,500) to the director and consulting fees of \$18,900 (2020 - \$12,075) to a shareholder of the Company.

### **8. FLOW-THROUGH SHARE LIABILITIES**

For the purposes of calculating any premium related to the issuances of the flow-through units, the Company compares the market price of its shares to the subscription price of flow-through shares to determine if there was a premium paid on the flow-through shares. As a result, the Company's flow-through liability on issuance of flow-through shares in connection with the private placements (Note 4) is as follows:

	January 31, 2021
	\$
Balance, inception	-
Addition	107,267
Reversal	(33,887)
Balance, end of the period	73,380

As of January 31, 2021 the Company is committed to spending approximately \$220,141 in connection with its flow-through offerings. Failure to incur the required eligible expenditures may result in penalties and taxes and the Company may also be liable to indemnify the shareholders for their income taxes and penalties.

### **9. SUBSEQUENT EVENT**

On February 22, 2021, the Company entered into a property option agreement where it can acquire a 100% interest in the NW Abitibi Project, comprised of sixty-three mineral claims located in the Province of Ontario, by spending \$250,000 on the property on or before February 21, 2024 (or cash payments in lieu thereof) and issuing 2,000,000 common shares.