FenixOro Gold Corp.
(Formerly "American Battery Metals Corp.")
Financial Statements
For the Year Ended February 29, 2020

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FenixOro Gold Corp. (formerly American Battery Metals Corp.)

Opinion

We have audited the financial statements of FenixOro Gold Corp. (the "Company"), which comprise the statements of financial position as at February 29, 2020 and February 28, 2020, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2020 and February 28, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

June 29, 2020

MOORE

An independent firm
associated with Moore
Global Network Limited

FenixOro Gold Corp. (formerly American Battery Metals Corp.)

Statements of Financial Position

(Expressed in Canadian Dollars)

	February 29, 2020	February 28, 2019
	$	$
ASSETS		
Current assets		
Cash	1,431,494	88,098
Accounts receivable	25,251	-
GST receivable	48,068	9,074
Prepaid expenses	120,608	-
	1,625,421	97,172
Non-current assets		
Exploration and evaluation assets (Note 4)	-	278,620
TOTAL ASSETS	1,625,421	375,792
LIABILITIES		
Current liabilities		
Accounts payable	72,746	22,838
Accrued liabilities	12,000	24,925
	84,746	47,763
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	3,960,583	842,619
Reserve (Note 6)	297,351	205,998
Deficit	(2,717,259)	(720,588)
	1,540,675	328,029
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,625,421	375,792

Nature of operations and going concern (Note 1)
Subsequent events and contingency (Note 6 and 11)

These financial statements were approved by the Board of Directors on June 29, 2020

"John Carlesso"
John Carlesso, Director

"David Mitchell"
David Mitchell, Director

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

FenixOro Gold Corp. (formerly American Battery Metals Corp.)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended February 29, 2020	Year ended February 28, 2019
	$	$
EXPENSES		
Administration expenses	39,599	13,555
Advertising and promotions	677,289	-
Consulting (Note 8)	281,810	76,000
Exploration expenditures (Note 4)	150,567	37,105
Filing and transfer agent fees	41,085	49,762
Investor communications	94,954	-
Professional fees (Note 8)	136,753	176,858
Share-based compensation (Notes 6 and 8)	14,744	170,012
LOSS BEFORE OTHER ITEMS	(1,436,801)	(523,292)
OTHER ITEMS		
Foreign exchange loss	(7,717)	(1,648)
Write off of loan receivable (Note 5)	(250,000)	-
Write off of exploration and evaluation assets (Note 4)	(302,152)	-
	(559,869)	(1,648)
NET AND COMPREHENSIVE LOSS	(1,996,670)	(524,940)
Loss per share - basic and diluted	$ (0.07)	$ (0.03)
Weighted average number of common shares outstanding	26,701,164	14,942,083

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

FenixOro Gold Corp. (formerly American Battery Metals Corp.)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, February 28, 2018	**14,400,001**	**355,355**	**-**	**(195,648)**	**159,707**
Shares issued for cash	2,000,000	400,000	-	-	400,000
Share issuance costs	-	(91,736)	35,986	-	(55,750)
Shares issued for Fish Lake property	20,000	4,000	-	-	4,000
Shares issued for Temple Mountain property	500,000	175,000	-	-	175,000
Share-based compensation	-	-	170,012	-	170,012
Comprehensive loss	-	-	-	(524,940)	(524,940)
Balance, February 28, 2019	**16,920,001**	**842,619**	**205,998**	**(720,588)**	**328,029**
Shares issued for cash	10,303,471	3,004,515	-	-	3,004,515
Share issuance costs	250,000	(263,445)	76,646	-	(186,799)
Share issued on warrants exercised	3,339,900	376,885	-	-	376,885
Share-based compensation	-	-	14,744	-	14,744
Comprehensive loss	-	-	-	(1,996,670)	(1,996,670)
Balance, February 29, 2020	**30,813,372**	**3,960,574**	**297,388**	**(2,717,258)**	**1,540,704**

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

FenixOro Gold Corp. (formerly American Battery Metals Corp.)

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended February 29, 2020	Year ended February 28, 2019
	$	$
Cash flows from operating activities		
Net loss	(1,996,671)	(524,940)
Adjustments for non-cash items		
Share-based compensation	14,744	170,012
Write off of loans receivable	250,000	-
Write off of exploration and evaluation assets	302,152	-
Change in non-cash working capital:		
GST receivable	(38,944)	(9,074)
Accounts receivable	(25,251)	-
Accounts payable and accrued liabilities	36,982	34,048
Prepaid expenses	(120,608)	-
Net cash flows used in operating activities	(1,577,646)	(329,954)
Cash flows from investing activities		
Exploration and evaluation assets	(23,532)	(79,620)
Loan receivable	(250,000)	-
Net cash flows used in investing activities	(273,532)	(79,620)
Cash flows from financing activities		
Proceeds from issuance of common shares, net	2,817,689	344,250
Proceeds from the exercise of warrants	376,885	-
Net cash flows provided by financing activities	3,194,574	344,250
Change in Cash	1,343,396	(65,324)
Cash, beginning	88,098	153,422
Cash, ending	1,431,494	88,098

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

1. Nature of operations and going concern

FenixOro Gold Corp. (formerly American Battery Metals Corp.) (the "Company"), was incorporated on March 2, 2017 under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources, in Nevada, USA.

Effective November 29, 2018, the Company's shares traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "FDIV". Effective March 11, 2019, the Company changed its name from First Division Ventures Inc. to American Battery Metals Corp. and is traded under the symbol "ABC" on the CSE. Effective May 21, 2020, the Company changed its name to FenixOro Gold Corp and is traded under the symbol "FENX" on the CSE.

The Company's registered office and principal place of business is 700 – 350 Bay Street Toronto Ontario, Canada.

On May 19, 2020, the Company completed a Transaction (the "Transaction") of Fenix Gold Inc. ("Fenix"). Fenix was previously a private Canadian company focused on acquiring gold projects in Colombia.

As part of the Transaction, the Company issued 29,000,000 common shares to the shareholders of Fenix in exchange for all the issued and outstanding shares of Fenix. The Company also issued 2,000,000 common shares pursuant to a finder's fee agreement. In addition, the Company also issued 4,006,095 warrants.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company has incurred losses and negative cash flows from operations since inception that has been funded through financing activities. The Company has no current source of revenues from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities that would be necessary if the Company is unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of preparation

The financial statements were authorized for issuance on June 29, 2020 by the directors of the Company.

(a) Statement of compliance

These financial statements, including comparative figures, have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

2. Basis of preparation (continued)

(c) Significant estimates and assumptions

The preparation of these financial statements requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there are significant risks of material adjustments to assets and liabilities in future accounting period include the recoverability of the carrying value of the exploration and evaluation assets, the measurements for financial instruments, and the recoverability of deferred tax assets.

The preparation of financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and whether there are indicators of impairment of the Company's exploration and evaluation assets.

3. Significant accounting policies

(a) Exploration and evaluation assets

Exploration costs incurred prior to the Company obtaining the legal right to explore an area are expensed in the period in which they are incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Property acquisition costs are capitalized. Exploration and evaluation costs, other than property acquisition costs, are expensed as incurred. When a decision is taken that a commercially viable mineral deposit has been established all further pre-production expenditures including evaluation costs are capitalized. Cash flows associated with exploration and evaluation expenditures are classified as operating activities in the statement of cash flows.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

3. Significant accounting policies (continued)

(a) Exploration and evaluation assets (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

(b) Impairment of non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

(c) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Significant accounting policies (continued)

(d) Foreign currency translation

The functional currency of each entity is determined using the currency of the primary economic environment in which that entity operates.

The functional and presentation currency, as determined by management, of the Company is the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of comprehensive loss in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(e) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share warrants, are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

(f) Financial instruments

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. Significant accounting policies (continued)

(f) Financial instruments (continued)

The Company's classification of its financial assets and liabilities under IFRS 9:

Financial assets / liabilities	Classification IFRS 9
Cash	FVTPL
Accounts receivable	Amortized cost
Loan receivable	Amortized cost
Accounts payable	Amortized cost
Due to related party	Amortized cost

<u>Measurement</u>
Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

<u>Impairment of financial assets at amortized cost</u>
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. Significant accounting policies (continued)

(f) Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(g) Share-based compensation transactions

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issue, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based compensation reserve. The fair value of options is determined using the Black–Scholes Option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(h) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

(i) Adoption of new standards - Leases

The Company adopted the requirements of IFRS 16 effective March 1, 2019. This new standard replaces IAS 17 Leases and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets.

3. Significant accounting policies (continued)

(i) Adoption of new standards – Leases (continued)

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company was not required to recognize any right of use assets and lease liabilities related to the Company's leased premises as the only lease outstanding at February 28, 2019 expires during the year ended February 28, 2019.

For any new contracts entered into on or after March 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
ii. the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

The Company's exploration and evaluation assets are as follows:

	Fish Lake Property, Nevada	Temple Mountain Property, Utah	Total
	$	$	$
Balance, February 28, 2018	20,000	-	20,000
Additions	4,000	254,620	258,620
Balance, February 28, 2019	24,000	254,620	278,620
Additions	10,000	13,532	23,532
Write off	(34,000)	(268,152)	(302,152)
Balance, February 29, 2020	-	-	-

Temple Mountain Property, Utah, USA

On February 6, 2019, the Company entered an option agreement with GeoXplor Corp. ("GeoXplor") to acquire 100% of GeoXplor's interest in the Temple Mountain property ("Temple Mountain Property") located in Emery County, Utah.

Under the agreement, the Company was to pay USD$635,000 of which US$60,000 was paid, issue 3,250,000 shares of which 500,000 were issued and meet exploration expenditure requirements.

During the year ended February 29, 2020, the Company has determined it was not going to continue exploring the property; therefore, the Company wrote off the carrying value of the property.

Fish Lake Property, Nevada, USA

On September 25, 2017, and as amended on May 2, 2018, September 21, 2018 and further amended on February 3, 2020, the Company entered into an option agreement with Bearing Lithium Corp. ("Bearing"), whereby the Company has the option to acquire 50% of Bearing's interest in 81 lode mineral claims located in Esmeralda County in the State of Nevada, known as the "Fish Lake Property".

Under the agreement, the Company was to pay $20,000 (paid), issue 3,000,000 common shares (none issued) and meet exploration expenditure requirements. The Company paid an additional $10,000 on the signing of the February 3, 2020 amended agreement.

If the Company does not make timely payments, or the shares are not issued as specified, or the expenditures are not incurred as specified and within the time frame provided, then the option agreement shall automatically terminate without notice. Notwithstanding the foregoing, the Company shall have the right to accelerate exercise of the option by making all of the cash payments and the expenditures and arranging for the issuance of all of the shares.

The Company has determined it is not going to continue exploring the property; therefore, the Company wrote off the carrying value of the property.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets (continued)

Summary of exploration expenditures

Exploration expenditures incurred during the year ended February 29, 2020 are as follows:

	Fish Lake Property, Nevada	Temple Mountain Property, Utah	Project investigation costs	Total
	$	$	$	$
Geophysics	-	57,511	51,405	108,916
Administrative	18,788	-	-	18,788
Supplies and services	-	22,863	-	22,863
Balance, February 29, 2020	18,788	80,374	51,405	150,567

Exploration expenditures incurred during the year ended February 28, 2019 are as follows:

	Fish Lake Property, Nevada	Total
	$	$
Geophysics	37,105	37,105
Balance, February 28, 2019	37,105	37,105

5. Loan receivable

On April 29, 2019, the Company entered a non-binding letter of intent (the “LOI”) to acquire a 90% interest in E.U. Energy Corp. (“E.U. Energy”), an Ontario company which holds a 100% interest in the Viken Project in Northern Sweden.

On May 14, 2019, the Company entered into a loan agreement with E.U. Energy Corp., whereby the Company advanced of $250,000 to E.U. Energy. The loan is collateralized by mineral licenses located close to Ostersund, Sweden, related to Viken vanadium deposit. The loan is non-interest bearing and is repayable in full upon the earlier of:

- May 14, 2020, subject to extension upon mutual agreement of the Lender and Borrower; and
- An event of default occurring as per the executed loan agreement.

At February 29, 2020, the Company determined that E.U. Energy has a limited ability to repay the loan receivable amount. Therefore, the Company has recorded a $250,000 write off of the loan receivable in the statement of comprehensive loss.

6. Share capital

(a) Authorized

Unlimited common shares with no par value.

(b) Issued and outstanding

During the year ended February 29, 2020, the following issuances occurred:

- On March 4, 2019, the Company issued 6,017,000 units for gross proceeds of $1,504,250. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at an exercise price of $0.50 until September 4, 2020. In connection with the financing, the Company paid aggregate finders' fees of $72,675 and issued 322,620 brokers' warrants. The brokers' warrants were valued at $61,398 using the Black Scholes option pricing model using an expected life of 18 months, volatility of 140%, risk-free interest rate of 1.75% and expected dividends of $nil. The Company issued an additional 250,000 common shares for finders' fees at $0.30 per share valued at $75,000. The Company incurred legal fees associated with the private placement of $12,541 that have been recorded as share issuance costs.

- On June 14, 2019, the Company issued 4,286,471 units for gross proceeds of $1,500,265. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at an exercise price of $0.50 until June 14, 2020. In connection with the financing, the Company paid aggregate finders' fees of $63,520 and issued 92,914 brokers' warrants. The brokers' warrants were valued at $15,225 using the Black Scholes option pricing model using an expected life of 1 year, volatility of 150%, risk-free interest rate of 1.44% and expected dividends of $nil. The Company incurred legal fees associated with the private placement of $77,853 that have been recorded as share issuance costs.

- During the year ended February 29, 2020, the Company issued 3,339,900 common shares pursuant to the exercise of share purchase warrants for proceeds of $376,885. The share purchase warrants exercised had an original fair value of $nil recorded in the reserve.

During the year ended February 28, 2019, the following issuances occurred:

- On November 27, 2018, the Company completed its initial public offering ("IPO") for gross proceeds of $400,000 and issued 2,000,000 common shares. In connection with the IPO, the Company paid cash commissions of $40,000, corporate finance fees of $15,750, and issued 200,000 brokers' warrants. Each warrant is exercisable into one common share at $0.20 until November 28, 2020. The brokers' warrants were valued at $35,986 using the Black Scholes option pricing model using an expected life of 2 years, volatility of 140%, risk-free interest rate of 2.21% and expected dividends of $nil. The Company incurred additional due diligence expenses and holdbacks for expenses of $20,966 accounted for in the statement of comprehensive loss.

- On November 27, 2018, the Company issued 20,000 shares for the Fish Lake Property at a price of $0.20 per share (Note 4).

- On February 8, 2019, the Company issued 500,000 shares for the Temple Mountain Property at a price of $0.35 per share (Note 4).

(Expressed in Canadian Dollars)

6. Share capital (continued)

(c) Share purchase warrants

The share purchase warrants issued were valued using the residual method. During the year ended February 29, 2020, total common share purchase warrants of 10,303,471 (2019 – nil) were issued with a residual value of $nil (2019 - $nil). At February 29, 2020, the Company had the following share purchase warrants outstanding and exercisable:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, February 28, 2018 and 2019	12,200,000	0.100
Issued	10,303,471	0.155
Exercised	(3,339,900)	(0.113)
Balance, February 29, 2020	19,163,571	0.128

Date of Expiry	Exercise Price	February 29, 2020	February 28, 2019
	$		
June 14, 2020 (1)(2)	0.155	3,943,571	-
July 10, 2020 (1)(2)(3)	0.155	5,580,000	-
November 27, 2021 (2)	0.100	9,640,000	12,200,000
Total Outstanding and Exercisable		19,163,571	12,200,000

(1) During the year ended February 29, 2020, the Company re-priced the warrants from $0.50 to $0.155.
(2) Subsequent to February 29, 2020, the Company issued 8,018,571 common shares pursuant to the exercise of share purchase warrants.
(3) Subsequent to February 29, 2020, the Company accelerated warrants that were set to expire on September 4, 2020 to a new expiry date of July 10, 2020.

(d) Brokers' warrants

The brokers' warrants were issued as consideration for brokers' fees and were valued using the Black-Scholes Option Pricing Model using the following input assumptions:

	February 29, 2020	February 28, 2019
Risk-free interest rate	1.68%	2.21%
Estimated life	1.39 years	2.00 years
Expected volatility	142%	140%
Expected dividend yield	0%	0%

At February 29, 2020, the Company had the following brokers' warrants outstanding and exercisable:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, February 28, 2018	-	-
Issued	200,000	0.200
Balance, February 28, 2019	200,000	0.100
Issued	415,534	0.155
Balance, February 29, 2020	615,534	0.400

(Expressed in Canadian Dollars)

6. Share capital (continued)

(d) Brokers' warrants (continued)

Date of Expiry	Exercise Price	February 29, 2020	February 28, 2019
	$		
June 14, 2020 [(1)(3)]	0.155	92,914	-
July 10, 2020 [(1)(4)]	0.155	322,620	-
November 27, 2021 [(2)]	0.200	200,000	200,000
Total Outstanding and Exercisable		615,534	-

(1) During the year ended February 29, 2020, the Company re-priced the warrants from $0.50 to $0.155.
(2) Subsequent to February 29, 2020, the Company issued 21,600 common shares pursuant to the exercise of share purchase warrants.
(3) Subsequent to February 29, 2020, 92,914 warrants expired unexercised.
(4) Subsequent to February 29, 2020, the Company accelerated warrants that were set to expire on September 4, 2020 to a new expiry date of July 10, 2020.

(e) Stock options

On November 27, 2018, the Company granted 100,000 options to a director of the Company. Each option is exercisable at $0.20 until November 15, 2023.

On December 10, 2018, the Company granted 600,000 options to directors and officers of the Company. Each option is exercisable at $0.20 until December 10, 2023.

On January 9, 2020, the Company granted 85,000 options to directors and a consultant of the Company. Each option is exercisable at $0.155 until January 9, 2025.

On January 13, 2020, the Company granted 30,000 options to a director of the Company. Each option is exercisable at $0.16 until January 13, 2025.

At February 29, 2020, the Company had the following stock options outstanding and exercisable:

	Number of Options	Weighted Average Exercise Price
		$
Balance, February 28, 2018	-	-
Granted	700,000	0.20
Balance, February 28, 2019	700,000	0.20
Granted	115,000	0.16
Balance, February 29, 2020	815,000	0.19

Date of Expiry	Exercise Price	February 29, 2020	February 28, 2019
	$		
November 27, 2023	0.200	100,000	100,000
December 10, 2023	0.200	600,000	600,000
January 9, 2025	0.155	85,000	-
January 13, 2025	0.160	30,000	-
Total Outstanding and Exercisable		815,000	700,000

For the year ended February 29, 2020, the Company recognized share-based compensation expense of $14,744 (2019 - $170,012) related to stock options.

(Expressed in Canadian Dollars)

6. Share capital (continued)

(e) Stock options (continued)

The weight average fair value of the options granted, and the assumptions used in the Black-Scholes Option Pricing Model are as follows:

	February 29, 2020	February 28, 2019
Risk-free interest rate	1.60%	2.27%
Estimated life	5 years	5 years
Expected volatility	140%	190%
Expected dividend yield	0%	0%

7. Capital disclosures

The Company defines its capital as shareholders' equity. The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do 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 properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities.

In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties 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.

8. Related parties

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and directors (executive and non-executive) of the Company. During the year ended February 29, 2020 and February 28, 2019, the following related party transactions took place:

	February 29, 2020	February 28, 2019
	$	$
Professional fees	-	36,000
Consulting	185,050	40,000
Share-based compensation	11,539	170,012
Total	196,589	246,012

9. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets. The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company's primary exposure to credit risk is on its cash. Cash are held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is a high credit quality financial institution.

Liquidity Risk – Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. 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. All of the Company's financial liabilities are due within a year.

Interest rate risk – Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as cash earns interest income at variable rates. The fair value of cash is minimally affected by changes in short term interest rates.

Foreign currency risk - Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash held in United States funds.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Fair Value - The Company has various financial instruments comprised of cash, receivables and accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

10. Income Taxes

A reconciliation of the statuary tax rate to the average effective rate is as follows:

	February 29, 2020	February 28, 2019
Loss before income taxes for the year	$ (1,996,670)	$ (524,940)
Statutory tax rate	27%	27%
Income tax recovery	(539,101)	(141,734)
Non-deductible expenditures	230	45,903
Share issue costs	(91,374)	(24,769)
Adjustments to prior years provision versus tax returns	140,679	(19,770)
Unrecognized tax benefit	489,565	140,370
Deferred income tax recovery	$ -	$ -

As at February 28, 2020, the Company has approximately $2,061,000 of non-capital losses in Canada that may be used to offset future taxable income, expiring in 2039.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

11. Subsequent events

i. On May 19, 2020, the Company completed the acquisition (the "Transaction") of Fenix Gold Inc., a private company ("Fenix"). Fenix is focused on operating, developing, exploring and acquiring properties in Columbia.

   The Company issued 29,000,000 common shares to the shareholders of Fenix as consideration for all the issued and outstanding shares of Fenix. In addition, an aggregate of 3,846,785 outstanding warrants of Fenix were replaced with 4,006,095 common share purchase warrants of the Company exercisable at a price of $0.20 until the date that is 2 years from closing date of the Transaction. The Company had advanced USD$250,000 to Fenix on signing of the acquisition agreement. The Company also issued 2,000,000 common shares to certain parties for their work in arranging the Transaction.

   The Transaction was completed by way of an amalgamation of Fenix with a wholly-owned subsidiary of the Company. This represents a fundamental change for the Company with Fenix shareholders representing 47% of the Company.

ii. On April 30, 2020, Califfi Capital Corp. (“Califfi”), a capital pool company listed on the TSX Venture Exchange (the “Exchange”), filed a statement of claim in the British Columbia Supreme Court against, inter alia, Fenix, alleging breach of contract and breach of a duty of good faith, resulting from the failure of the parties to complete a business combination, which would have constituted the “qualifying transaction” of Califfi (as that term is defined under the policies of the Exchange). Fenix had previously signed a letter of intent with Califfi with respect to a proposed business combination, which letter of intent expired pursuant to its terms on May 15, 2019. On June 17, 2020, Fenix filed a statement of defense in the B.C. Supreme Court, and intends to defend any and all claims relating to this litigation, which it considers baseless. Fenix is seeking to have the claim dismissed and to have Califfi be responsible for any costs Fenix may incur.

iii. On June 15, 2020, the Company issued 200,000 common shares pursuant to a financial consulting agreement with Leede Jones Gable Inc.

iv. Subsequent to February 29, 2020, the Company granted 5,465,000 stock options to certain Officers, Directors and Consultants of the Company. The options are exercisable at a price of $0.26 per share and expire 5 years from the grant date.

11. Subsequent events (continued)

v. Subsequent to February 29, 2020, the Company issued 8,249,171 common shares pursuant to the exercise of share purchase warrants for proceeds of $1,237,558

vi. Subsequent to February 29, 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.