

Ubique Minerals Limited
Financial Statements
For the year ended July 31, 2020
(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ubiq Minerals Limited

Opinion

We have audited the financial statements of Ubiq Minerals Limited (the "Company"), which comprise the statements of financial position as at July 31, 2020 and 2019, and the statements of loss and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2020 and 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 2 to the financial statements, which described 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 Matthew Gosden.

DMCL

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

September 28, 2020



An independent firm
associated with Moore
Global Network Limited

Ubique Minerals Ltd.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at July, 31 2020	As at July, 31 2019
ASSETS		
Current assets		
Cash and bank balances	\$ 13,217	\$ 3,882
GST/HST Receivable	30,744	46,334
Total current assets	43,961	50,216
Non-current assets		
Exploration and evaluation assets (Note 7)	564,716	437,594
Investments (Note 8)	34,286	30,253
Due from related parties (Note 9)	11,178	21,178
Total non-current assets	610,180	489,025
Total assets	\$ 654,141	\$ 539,241
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and other liabilities	\$ 13,851	\$ 12,526
Due to related parties (Note 9)	167,365	38,208
Total current liabilities	181,216	50,734
Shareholders' Equity		
Common share capital (Note 11)	1,129,175	1,006,625
Reserves for share-based payments (Note 10)	27,355	109,335
Warrant valuation reserve (Note 12)	27,500	52,366
Deficit	(711,105)	(679,818)
Total shareholders' equity	472,925	488,507
Total liabilities and shareholders' equity	\$ 654,141	\$ 539,241
Nature of operations (note 1)		
Going concern (note 2)		

Approved on behalf of the Board of Directors:

"Gerald Harper" (signed)
 Director

"Gaurav Singh" (signed)
 Director

The notes to the financial statements are an integral part of these statements.

Ubique Minerals Ltd.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the year ended July 31,	2020	2019
Other income		
Flow-through premium (Note 11)	\$ 7,338	\$ 11,008
	7,338	11,008
Operating Expenses		
Consulting fees (Note 9)	84,000	45,260
Professional and legal fees	20,074	13,720
Listing and filing fees (Note 9)	19,230	35,695
Investor relations	3,976	4,645
Bank charges	154	141
General expenses	1,752	5,567
Insurance	9,774	8,606
Share-based payments (Note 10)	26,865	-
Impairment of exploration and evaluation assets (Note 7)	14,931	-
Impairment of amount due from related party	-	12,680
Unrealised (gain) loss on investment (Note 8)	(4,034)	107,901
	176,722	234,215
Net and comprehensive loss for the year	\$ (169,384)	\$ (223,207)
Basic and diluted net (loss) per share	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	44,869,620	43,235,244

The notes to the financial statements are an integral part of these statements.

Ubique Minerals Ltd.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars, except number of shares)

	Share Capital		Reserve for Share-based Payments	Reserve for Warrants	Accumulated Deficit	Total
	Number of Shares	Amount				
Balance, July 31, 2018	42,154,510	\$ 783,871	\$ 163,907	-	\$ (511,884)	\$ 435,894
Issuance of common shares						
for exercise of warrants	1,004,750	100,475	-	-	-	100,475
transaction costs of warrant exercise	-	(70)	-	-	-	(70)
for acquisition of assets	500,000	100,000	-	-	-	100,000
Allocation of share-based payment reserve to shareholders equity	-	-	(54,572)	-	54,572	-
Allocation of warrant liability to shareholders equity	-	22,349	-	52,366	701	75,415
Net Loss for the year	-	-	-	-	(223,207)	(223,207)
Balance, July 31, 2019	43,659,260	\$ 1,006,625	\$ 109,335	\$ 52,366	\$ (679,818)	\$ 488,507
Issuance of common shares						
on private placement	808,825	68,000	-	-	-	68,000
for exercise of warrants	100,000	10,000	-	-	-	10,000
transaction costs of share issuance	-	(1,225)	-	-	-	(1,225)
for exercise of options	350,000	35,000	-	-	-	35,000
for acquisition of assets	500,000	22,500	-	-	-	22,500
Flow-through premium	-	(7,338)	-	-	-	(7,338)
Share-based payments - options	-	-	26,865	-	-	26,865
Allocation of share-based payment reserve to shareholders equity	-	18,060	(108,845)	-	90,785	-
Allocation of warrant reserve to shareholders equity	-	(22,447)	-	(24,866)	47,312	-
Net Loss for the year	-	-	-	-	(169,384)	(169,384)
Balance, July 31, 2020	45,418,085	\$ 1,129,175	\$ 27,355	\$ 27,500	\$ (711,105)	\$ 472,925

The notes to the financial statements are an integral part of these statements.

Ubique Minerals Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

For the year ended July 31,	2020	2019
Operating activities		
Net loss	\$ (169,384)	\$ (223,207)
Non-cash adjustments for:		
Accrued consulting fees	84,000	-
Flow-through premium	(7,338)	(11,008)
Share-based payments	26,865	-
Unrealised (gain) loss on investment	(4,034)	107,901
Impairment of exploration and evaluation assets	14,931	-
Impairment of dues from related parties	-	12,680
Net changes in non-cash working capital		
GST/HST Receivable	15,589	(31,756)
Accounts payable and other liabilities	1,325	(6,092)
Net cash used in operating activities	(38,046)	(151,482)
Investing activities		
Expenditures on exploration and evaluation assets	(95,395)	(204,790)
Net cash used in investing activities	(95,395)	(204,790)
Financing activities		
Due from related parties	10,000	-
Due to related parties	21,000	12,923
Issuance of shares	111,776	100,405
Net cash provided by financing activities	142,776	113,328
Net change in cash	9,335	(242,944)
Cash, beginning of period	3,882	246,826
Cash, end of period	\$ 13,217	\$ 3,882
Non-cash financing and investing activities		
Shares issued under option agreement to acquire KAP claims	\$ 22,500	\$ 100,000
Exploration expenditure included in payables	\$ 41,657	\$ 17,500

The notes to the financial statements are an integral part of these statements.

Ubique Minerals Ltd.

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

1. Nature of operations

Ubique Minerals Limited ("Ubique" or the "Company") was incorporated on September 26, 2012 in the Province of Ontario, Canada and has been continued into British Columbia on July 11, 2017. The Company's primary business is the acquisition and evaluation of mineral exploration assets and it is considered to be in the exploration stage. On September 12, 2018 the Company's shares began trading on the Canadian Securities Exchange under the symbol UBQ.

The head office of the Company is located at 100 King Street West, Suite 5700, Toronto, Ontario M5X 1C7.

2. Going concern assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production. As an exploration stage Company that has yet to commence active operations; it incurs operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

There is no assurance that the Company will be able to obtain the external financing necessary to complete the development of its business objectives. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to terminate its operations.

As at July 31, 2020, the Company has yet to generate revenues from operations and had an accumulated deficit of \$711,105 (July 31, 2019 – \$679,818). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

3. Statement of compliance and basis of presentation

(a) Statement of compliance

The Company applies IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The accounting policies set out in Note 4 have been applied consistently in these financial statements. The financial statements were approved by the Board of Directors on September 28, 2020.

Ubique Minerals Ltd

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

3. Statement of compliance and basis of presentation (continued)

(a) Basis of presentation

These financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods and have been prepared using the accrual basis of accounting except for cash flow information.

(b) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(c) Use of estimates and critical judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are limited to, the following:

(i) Going concern

Going concern assumption - going concern presentation of the financial statements which assumes 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 they come due. Refer to note 2.

(ii) Impairment indicators for exploration and evaluation assets

Management reviews its exploration and evaluation for indicators of impairment. Whether or not impairment indicators exist is inherently judgement. See Note 4.

(iii) Valuation of share-based compensation

The Company uses the Black-Scholes Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Ubique Minerals Ltd.

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

4. Significant accounting policies

These financial statements have been prepared by management in accordance with IFRS and IFRIC. Outlined below are those policies considered particularly significant:

Exploration and evaluation assets

The Company capitalizes all exploration and evaluation costs that result in the acquisition and retention of resource properties or an interest therein. The amount shown for mineral rights represents costs to date, including acquisition, maintenance, exploration, salaries based on time spent, and management fees. All costs incurred prior to obtaining the legal right to explore are expensed as incurred.

Mining rights shall be assessed for impairment when facts and circumstances suggest that the carrying amount of the mining rights may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The Company estimates the recoverable amount of each asset or cash-generating unit ("CGU"), on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures 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 has 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.
- Sufficient data exists to indicate that, although a 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 sale.

An impairment loss may be reversed in a situation where there is a change in the circumstances that had initially dictated that impairment had occurred. An example of such a situation might include, but not be limited to, the recommencement of exploration activity on a mineral property due to a significant change in commodity prices.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Mining rights are also tested for impairment before the assets are transferred to development properties.

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Ubique Minerals Ltd

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

4. Significant accounting policies (continued)

Income Taxes (continued)

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Flow-through shares

On the issuance of flow-through shares, any premium received in excess of the market price of the Company's common shares is initially recorded as a liability ("flow-through premium liability"). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through premium liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Equity Settled Transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled and vested, ending on the date on which the relevant employees become fully entitled to the award ("the vesting period or date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to deficit.

Ubique Minerals Ltd.

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

4. Significant accounting policies (continued)

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The amount of a provision is the best estimate of the consideration at the end of the reporting period. Provisions measured using estimated cash flows required to settle the obligation are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company has no material provisions as at July 31, 2020.

Loss Per Share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

Financial instruments

The Company follows IFRS 9 Financial instruments: Classification and Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification IFRS 9
Cash	Amortized cost
Due from related parties	Amortized cost
Investment	FVTPL
Accounts payable and other liabilities	Amortized cost
Due to related parties	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

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.

Ubique Minerals Ltd

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

4. Significant accounting policies (continued)

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of financial assets

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and due to shareholder are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

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.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company’s investments (note 8) are considered Level 1 in the hierarchy.

Future accounting policies

Accounting pronouncements are either not applicable or not expected to have a significant impact on the Company’s financial statements.

Ubique Minerals Ltd.

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

5. Financial Risk Management

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from its operations. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company's amount due from a related party is subject to credit risk (note 9).

Market and other risk

Market risk is the risk of uncertainty arising primarily from possible movements in the market in which the Company is in and their impact on the future economic viability of the Company's operation and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and budgets accordingly.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Currently, the Company does not have sufficient funds and will require financing to carry out its operating objectives and meet general and administrative expenses for the next twelve months.

6. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

The Company defines its capital as its shareholders' equity. The Company will require additional financing in order to provide working capital to fund costs for the current year. These financing activities may include issuances of additional debt or equity securities.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended July 31, 2020. The Company is not subject to any capital requirements imposed by a lending institution.

Ubique Minerals Ltd

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets

	Daniels Harbour Claims	Kapuskasing Claims	Total
Balance, July 31, 2018	\$ 131,992	\$ -	\$ 131,992
Additions:			
Drilling and development costs	128,021	9,465	137,486
Management fees	96,237	-	96,237
Recovery of exploration expenses under government support	(38,121)	-	(38,121)
Claims optioned from KAP	-	110,000	110,000
Balance, July 31, 2019	318,129	119,465	437,594
Additions:			
Drilling and development costs	35,122	111,981	147,103
Recovery of exploration expenses under government support	(5,050)	-	(5,050)
Impairment of claims cancelled	(14,931)	-	(14,931)
Balance, July 31, 2020	\$ 333,270	\$ 231,446	\$ 564,716

Daniels Harbour Claims

The Daniels Harbour Claims consists of 3 Mineral Licences, comprising 26 Units in the Daniels Harbour area of Newfoundland and Labrador. During the year ended July 31, 2020, the Company opted to let 59 Units lapse and recognised an impairment loss of \$14,931. These cancelled units were areas that the Company had not focused on and are not considered a core part of the project. The Company is planning further exploration activity on its core Mineral Licences.

During the year ended July 31, 2020, the Company received \$5,050 from the Newfoundland government under a junior mining exploration assistance program.

Kapuskasing Claims

On February 13, 2019, the Company entered into an Option Agreement with MinKap Resources Inc., formerly Kapuskasing Gold Corp. (TSX-V:KAP) ("MinKap") which provides for MinKap granting Ubique an option to earn a 55% or up to 70% interest in MinKap's Daniels Harbour property in western Newfoundland, which comprises 42 claim units in 4 Mineral Licences close to Ubique's Daniel's Harbour property to its west.

In order to earn a 55% interest in the Kapuskasing Claims:

- On signing of the agreement, the Company must pay MinKap \$10,000 (paid) and deliver to MinKap 500,000 common shares in the capital of the Company (issued with a fair value of \$100,000);
- On or before September 15, 2019, the Company must incur an additional \$100,000 in expenditures (incurred);
- On or before February 12, 2020, the Company must pay MinKap \$10,000 and deliver to MinKap 500,000 common shares in the capital of the Company (amount paid and shares issued);
- On or before February 12, 2021, the Company must deliver to MinKap 200,000 common shares in the capital of the Company;
- On or before February 28, 2021, the Company must incur an additional \$200,000 in expenditures;
- On or before September 1, 2021, the Company must pay \$40,000 to the vendors from whom MinKap optioned the property.
- On or before February 28, 2022, the Company must incur an additional \$300,000 in expenditures, which amounts include payments to the Vendors from whom KAP optioned the property; and
- On or before February 12, 2024, the Company must incur an additional \$400,000 in expenditures, at which point the Company will have earned a 55% interest in the MinKap property.

Ubique Minerals Ltd.

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

Upon the Company earning a 55% interest, the Company may earn an additional 15% interest by incurring an additional \$400,000 in expenditures, on or before February 28, 2025.

Upon the Company earning either a 55% or 70% interest in the property, the companies will form a joint venture to continue exploration, or MinKap may elect to grant the Company the right to earn an additional 5% interest in the property for every additional work expenditure of \$100,000 to a limit of 95% ownership by the Company, at which time the agreement provides for MinKap's interest to be converted to a 2% Net Smelter Royalty ("NSR"). The Company will then have the right to buy back 1.75% of the NSR for \$2,000,000. The underlying vendors are entitled to a NSR of 3% of which 2% may be repurchased for \$2,000,000. In addition, the underlying vendors are entitled to a bonus payment in the event that the Operator delineates a NI 43-101 compliant resource of a minimum of 5,000,000 tonnes of ore with a grade of at least 7% zinc.

8. Investment

On May 18, 2017, the Company received 423,563 Non-voting 5% Preference shares Series B ("Preference Shares") of GreenBank Capital Inc. ("GreenBank") at \$1 per share. This was received based on a Share Exchange Agreement entered into with GreenBank as consideration for GreenBank subscribing to 5,294,534 Ubique shares, representing 35% of Ubique's issued and outstanding share capital. On July 31, 2018 GreenBank repurchased the 423,563 Non-voting 5% Preference shares Series B for 100,842 GreenBank common shares priced at \$1.40 per share. This has been marked to market at \$0.34 per share, at the last traded market price on July 31, 2020. The Company management views these shares as a long-term asset that is marked to market at each reporting period. At July 31, 2020 GreenBank Capital owned approximately 22.34% of the Company. For the year ended July 31, 2020, the Company recorded an unrealized gain of \$4,034 (2019 – loss of \$107,901).

9. Related party transactions and disclosures

At July 31, 2020, the due to related parties amount of \$167,365 (July 31, 2019 - \$38,208) is comprised of amounts due to current and former directors of the Company of \$123,160 (July 31, 2019 - \$26,114), an amount due to Gamah International Ltd., a company owned by the CEO, of \$33,569 (July 31, 2019 - \$6,074), and an amount due to Reliable Stock Transfer Inc., a company with a common director, of \$10,636 (July 31, 2019 - \$6,019). These amounts are unsecured, non-interest bearing and due on demand.

The amount due from related parties at July 31, 2020 of \$11,178 (July 31, 2019 - \$21,178) is due from a company with common directors and shareholders. This amount was subsequently collected in August 2020.

During the year ended July 31, 2020 the Company incurred consulting fees to directors in the amount of \$84,000 (2019 - \$45,260) for executive management services.

During the year ended July 31, 2020, the Company incurred transfer agent fees of \$4,085 (2019 - \$13,401) to Reliable Stock Transfer Inc., a company with a common director, for the provision of share transfer services.

During the year ended July 31, 2020, the Company incurred exploration and evaluation costs of \$33,284 (2019 - \$96,237) to directors of the Company and to Gamah International Ltd., a company owned by the CEO.

During the year ended July 31, 2020, the Company issued 75,000 shares priced at 0.075 per share to a related party and 495,000 flow-through shares at \$0.085 per unit. (See Note 11.)

Ubique Minerals Ltd

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

10. Share based payments

The Company has a stock option plan (the "Plan"), the purpose of which is to attract, retain and compensate qualified persons as directors, senior officers and employees of, and consultants to the Company by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Company. The number of shares reserved under the Plan cannot be more than a maximum of 10% of the issued and outstanding shares at the time of any grant of options. The period for exercising an option shall not extend beyond a period of ten years following the date the option is granted. The exercise price of options granted under the Plan shall be as determined by the Board of Directors when such option is granted.

Share based payment transactions for the periods presented are as follows:

	Number of stock options	Weighted average exercise price (\$)
Balance July 31, 2019	2,000,000	0.10
Exercised ⁽¹⁾	(350,000)	0.10
Cancelled ⁽²⁾	(1,650,000)	0.10
Granted ⁽³⁾	1,350,000	0.075
Balance July 31, 2020	1,350,000	0.075

⁽¹⁾ 350,000 options were exercised by a Director in the Quarter ended January 31, 2020, at an exercise price of \$0.10. The corresponding portion of the share-based payment reserve was transferred to share capital.

⁽²⁾ 1,650,000 options expired unexercised on January 19, 2020. The corresponding portion of the share-based payment reserve was transferred to retained earnings.

⁽³⁾ On December 23, 2019, the Company granted 1,350,000 stock options to the directors of the Company with an exercise price of \$0.075 per share. The options vested on the date of grant, have a term of three years with an expiry date of December 22, 2022 and are governed by the provisions of Ubique's stock option plan. The estimated fair value of these options at the grant date was \$26,865 using the Black-Scholes valuation model. The underlying assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.69%;
- Expected life: 3 years;
- Expected volatility: 100% based on historical trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Share price: \$0.04

The following table reflects the stock options outstanding and exercisable as of July 31, 2020:

Expiry date	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
December 22, 2022	0.075	2.39	1,350,000	1,350,000

Ubique Minerals Ltd.

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(Expressed in Canadian Dollars)

11. Share capital

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares. The common shares have no par value.

b) Common shares

At July 31, 2020, the Company had 45,418,085 common shares (July 31, 2019 – 43,659,260) issued and outstanding. At July 31, 2020, 11,713,797 of these shares held by certain directors and founders are subject to an escrow agreement dated July 31, 2018 and the remaining shares will be released in tranches over 18 months.

i) In September 2019 Ubique closed two tranches of a non-brokered private placement and issued 75,000 non-flow-through units priced at \$0.075 per unit and 733,825 flow-through units priced at \$0.085 per unit, to raise \$5,625 from non-flow-through units and \$62,375 from flow through units. Of this amount \$47,700 was invested by officers and directors of Ubique. Each unit comprises one share with one warrant attached with the warrant providing the right to buy one share at a price of \$0.10 for a period of 24 months from the date of issuance. The warrants will be subject to an accelerated exercise clause during their 24-month life, in the event that the share price exceeds \$0.20 for a period of ten trading days. A total of 808,825 common shares were issued in this private placement. A finder's fee of \$1,225 and 14,400 finder warrants with a fair value of \$490 was paid in connection with this private placement. See Note 9.

On issuance, a flow-through premium of \$7,338 was recorded relating to the premium paid by investors for the flow-through units. During the year ended July 31, 2020, the Company incurred the qualifying exploration expenditures of \$62,375 and the flow-through premium of \$7,338 was recognized as other income.

ii) On October 29, 2019, Ubique issued 100,000 shares on the exercise of warrants by a Director for proceeds of \$10,000.

iii) On December 18, 2019, the Company issued 100,000 common shares on the exercise of options by a Director for proceeds of \$10,000.

iv) On January 17, 2020, the Company issued 250,000 common shares on the exercise of options by a Director for proceeds of \$25,000.

v) On February 12, 2020, the Company issued 500,000 common shares with a fair value of \$22,500 as a milestone payment pursuant to an option agreement with MinKap Resources Inc. (formerly known as Kapuskasing Gold Corp.) (TSXV:KAP).

vi) In September 2018, the Company issued 1,004,750 common shares on the exercise of Series A warrants at a price of \$0.10 per share and incurred related financing transaction costs of \$70.

vii) On February 13, 2019, under the terms of the Kapuskasing Claims Option Agreement, the Company issued 500,000 common shares to MinKap (See Note 7.)

Ubique Minerals Ltd

Notes to Financial Statements July 31, 2020

(Expressed in Canadian Dollars)

12. Warrants

Details of warrant transactions till the year ended July 31, 2020 are as follows:

	Number of warrants	Weighted average exercise price (\$)
Balance, July 31, 2018	2,138,500	0.10
Exercised	(1,004,750)	0.10
Expired	(31,500)	0.10
Balance, July 31, 2019	1,102,250	0.10
Issued	823,225	0.10
Exercised	(100,000)	0.10
Expired	(1,002,250)	0.10
Balance, July 31, 2020	823,225	0.10

In September 2019, the Company completed a private placement and issued units that comprised 808,825 warrants and 14,400 finder's warrants. An estimated fair value of \$27,500 was allocated to the warrant reserve on account of 808,825 warrants issued, and \$490 was allocated to the share-based payments reserve on account of the 14,400 finders warrants issued.

In the quarter ended October 31, 2019, a director exercised 100,000 warrants at the exercise price of \$0.10 per share and \$5,053 was reallocated from the warrant reserve to equity.

Details of the outstanding warrants and their fair values is as follows:

Expiry date	Weighted average exercise price (\$)	Number of warrants	Fair Value (\$)
Series C: 24 months from issuance (September 12, 2021)	0.10	628,825	21,380
Series C: 24 months from issuance (September 22, 2021)	0.10	180,000	6,120
	0.10	808,825	27,500
Finders' warrants: 24 months from issuance (September 22, 2021)	0.10	14,400	490
	0.10	823,225	

The fair value of the Series C warrants was determined using the Black-Scholes valuation model using the following assumptions:

- Risk free rate: 1.93%;
- Expected life: 2 years;
- Expected volatility: 100% based on historical trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price (underlying): \$0.07445
- Exercise price: \$0.10

The 14,400 finders' warrants issued with the Series C warrants have an exercise price of \$0.10 and expire on September 22, 2021. These warrants were reflected as a share issue cost and the fair value was determined using the same assumptions as the Series C warrants, and \$490 was allocated to the share-based payment reserve.

Ubique Minerals Ltd.

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(Expressed in Canadian Dollars)

13. Income taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

	Year ended July 31, 2020	Year ended July 31, 2019
Loss before income taxes	\$ (169,384)	\$ (223,207)
Combined statutory rate	26.5%	26.5%
Expected income tax recovery	(44,887)	(59,150)
Effect of flow-through shares	16,529	18,950
Share-based payments	7,119	-
Change in deductible temporary differences not recognized	21,239	40,200
Income tax recovery	\$ -	\$ -

The Company's recognized deferred tax assets and liabilities are as follows:

	July 31, 2020	July 31, 2019
Non-capital loss carry-forwards	\$ 113,178	\$ 16,033
Valuation allowance	(113,178)	(16,033)
Net deferred tax asset	\$ -	\$ -

The Company has total non-capital loss carry-forwards of \$427,086 of which \$427,086 have not been recognized as it is uncertain whether there will be sufficient taxable income in the future to utilize these tax losses. These losses expire in the years 2033 to 2040. The Company has \$16,529 of loss carry-forwards related to its exploration and evaluation assets.