PROJECT ONE RESOURCES LTD.

Condensed Interim Financial Statements
For the three-month periods ended November 30, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed, interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The accompanying unaudited, condensed interim financial statements of Project One Resources Ltd. for the three months ended November 30, 2019 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. The accompanying unaudited, condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

PROJECT ONE RESOURCES LTD.
Balance Sheet
As at November 30, 2020

		Nov 30, 2020		Aug 31, 2020
Assets				
Current				
Bank	$	437,263	$	597,959
Receivables		0		8,393
Prepaid expenses		27,000		27,000
Total Current Assets		464,263		633,352
Fixed Assets				
Land and Mineral Rights		1.00		1.00
Other Assets				
Share Issuance Costs		193,005		0
Total Assets	$	657,269	$	633,353
Liabilities and Equity				
Liabilities				
Accounts payable and accrued liabilities	$	18,116	$	24,014
Total Liabilities	$	18,116	$	24,014
Equity				
Common Shares		1,347,690		1,152,897
Option Reserve		134,144		134,469
Deficit		(842,681)		(678,027)
Total Equity	$	639,153	$	609,339
Total Equity and Liabilities	$	657,269	$	633,353

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

PROJECT ONE RESOURCES LTD.
Condensed Interim Statements of Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

		For the 3-Month Period Ended November 30, 2020		For the 3-Month Period Ended November 30, 2019
Expenses				
Advertising and shareholder communications	$	5,298	$	688
Consulting fees		104,657		160,000
Exploration and evaluation expenditures		7,000		21,059
Legal Fees		40,614		3,152
Transfer Agent Costs		300		-
Public Company Costs		2,419		1,950
Office and Telecommunications		330		229
Interest and bank charges		577		251
Rent		-		1,500
Travel		626		503
Website		3,159		3,500
Net loss and comprehensive loss for the period	$	164,980	$	48,832
Basic and diluted loss per common share	$	0.0118	$	0.008
Weighted average number of outstanding shares		9,794,527		5,840,777

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

PROJECT ONE RESOURCES LTD.
Statements of Changes in Shareholders' Equity
For the Period Ended November 30, 2020
(Expressed in Canadian Dollars)

	Common Shares				
	Number Outstanding	Amount $	Warrants Reserve $	Deficit $	Total Shareholders' Equity $
August 31, 2018	5,840,777	194,333	-	(92,709)	101,624
Initial public offering	4,000,000	400,000	-	-	400,000
Share issuance cost	-	(172,884)	20,047	-	(152,837)
Net loss for the year	-	-	-	(183,184)	(183,184)
August 31, 2019					
Cancellation of common shares	(50,000)	(5,000)	-	5,000	5,000-
Exercise of warrants	213,750	32,653	(11,278)	-	21,375
Refund of share issuance costs	-	859	-	-	859
Shares issued for debt	308,594	67,891	-	-	67,891
Private placement	3,578,056	644,050	-	-	644,050
Shares issued as finder's fee	33,600	13,440	-	-	13,440
Share issuance costs	-	(22,445)	-	-	(22,445)
Share-based compensation	-	-	125,700	-	125,700
Net loss for the year	-	-	-	(407,134)	(407,134)
Balance August 31, 2020	**13,924,777**	**1,152,897**	**134,469**	**(678,026)**	**614,339**
November 30, 2020					
Exercise of warrants	3,250	325	(325)	-	-
Net loss for the period	-	-	-	(164,980)	(164,980)

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

Balance November 30, 2020	**13,928,027**	**1,153,222**	**134,144**	**(843,006)**	**449,359**

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

PROJECT ONE RESOURCES LTD.

Statements of Cash Flows September through November 2020

(Unaudited - Expressed in Canadian Dollars)

		Sept – Nov 2020		Sept - Nov 2019
Operating Activities				
Net loss for period	$	(164,980)	$	(81,631)
Change in working capital balances:				
Prepaid expenses		0		21,059
Accounts payable and accrued liabilities		2,070		3,075
GST/HST Payable		1,889		(622)
Loan R. Shenton		0		249
Net Cash Used in Operating Activities		(161,021)		(25,071)
Investing Activities				
Share issuance costs	$	0	$	859
Net Cash Provided by Investing Activities	$	0		859
Financing Activities				
Exercise of warrants		325		-
Net Cash Provided by (Used in) Financing Activities		325		0
Net Cash Decrease for Period		(160,696)		(24,212)
Cash, Beginning of Period		597,959		170,250
Cash, End of Period	$	437,262	$	146,038

1. NATURE OF OPERATIONS AND GOING CONCERN

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activity, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business but believes that the COVID-19 Pandemic will likely have only a minimal impact on the Company's activities, most notably in curtailment of travel and access to projects due to travel and social distancing restrictions. There is no material disruption to the Company's current operations.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are management prepared and unaudited and are presented in Canadian dollars, which is the Company's functional currency.

(a) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on January 20, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Mineral property

(i) Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as expenses as they are incurred during the period. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

Management reviews the carrying value of capitalized exploration costs annually. The review is based on the Company's intentions for development of the property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the project. If a project does not prove viable, all irrecoverable costs associated with the project, net of any impairment provisions, are written off.

(b) Financial instruments

(i) Financial assets

<u>Initial recognition and measurement</u>

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss. The Company recognized a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities and due to related party.

(d) Common shares

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 are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(e) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is not adjusted for the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(f) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Critical Judgments

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Recoverability of mineral properties

The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral property. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economic assessments/studies, accessible facilities and existing permits.

Significant Estimates and Assumptions

Inputs to the Black-Scholes option pricing model

The fair value of equity instruments is subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Impairment of mineral property

The carrying value of the Company's mineral property and the likelihood of future economic recoverability of the carrying value is subject to significant management estimates and judgments. The application of the Company's accounting policy for and determination of recoverability of the mineral property is based on assumptions about future events or circumstances. New information may change estimates and assumptions made. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

(g) Non-monetary transactions

Shares issued for consideration other than cash are valued at the fair value of assets received or services rendered. If the fair value of assets received or services rendered cannot be reliably measured, shares issued for consideration will be fair valued at the date of issuance.

(h) Share-based compensation

The Company has a stock option plan that is described in note 5 and grants share options to acquire common shares of the Company to directors, officers, employees and consultants. Share-based payments to employees are measured at the fair value of the instruments granted. Share-based payments are measured at the fair value of the goods or services received or the fair value of the equity instruments issued as calculated using the Black-Scholes option pricing model. The offset to the recorded expense is to options or warrants reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related options reserve is transferred to share capital. For those options that expire, the recorded fair value in options reserve is transferred to deficit.

4. MINERAL PROPERTY

(a) Christa-Aura Property, British Columbia, Canada

The Company acquired the Christa-Aura Property (the "Property"), located in British Columbia, consisting of five mineral titles, through issuance of 2,350,777 common shares fair valued at $23,508 from a director. In addition, the Company incurred acquisition and staking costs of $2,019 during the period from incorporation to August 31, 2018.

(b) Exploration and evaluation costs

During the three-month period ended November 30, 2020, the Company incurred $7,000 (2019 - $21,059) in exploration and evaluation expenditures on this property.

5. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

13,928,027 (2019 – 9,840,777) common shares without par value.

(i) On June 11, 2019, the Company completed its IPO and issued 4,000,000 common shares of the Company at $0.10 per common share for gross proceeds of $400,000. In connection with this offering, the Company paid $152,837 in cash share issuance costs and issued 380,000 agent warrants with a total fair value of $20,047. Each agent warrant entitles the holder to purchase one common share of the Company at $0.10 per share for a period of 24 months.

(ii) During the year ended August 31, 2019, the Company entered into an agreement with a vendor to provide website and marketing services. The Company and the vendor settled the terms of the arrangement whereby 50,000 common shares would be cancelled and were returned to treasury. The vendor had participated in the Company's IPO and the shares were issued at $5,000.

(iii) On June 1, 2020, the Company issued 308,594 common shares of the Company to settle $39,375 of accounts payable and $10,000 of the due to related party (note 7). The fair value of the common shares issued was determined to be $67,891 per share using the share price on the issuance date, resulting in a loss of $18,516 recognized in 2020.

(iv) On August 4, 2020, the Company issued 3,578,056 units pursuant to a private placement at $0.18 per unit for gross proceeds of $644,050. 252,500 of the units (fair valued at $45,450) were issued to settle accounts payable. Each unit consisted of one common share and one warrant, with each warrant entitling the holder to purchase an additional common share at $0.30 until August 3, 2021. The warrants will provide for an accelerated expiry in the event that the shares of the issuer are trading at a price of $0.50 or greater for 20 consecutive trading days. The Company issued 33,600 shares as finder' fees with a fair value of $13,440 and paid $9,005 in legal expenses related to the issuance.

(v) In September 2020, Haywood Securities exercised 3,250 share purchase warrants at a cost of $0.10 per warrant. The balance of these warrants remaining as at November 30, 2020 was 163,000.

(c) Escrow shares

On August 28, 2018, the Company executed an escrow agreement with an escrow agent and a security holder where they have agreed to deposit 2,650,777 common shares in escrow. Under the escrow agreement, 10% of the shares were released upon completion of the IPO and 15% of the shares will be released every six months following listing. As at November 30, 2020, the Company had 1,590,466 (2019 – 2,385,699) shares held in escrow.

(d) Stock options

The Company's stock option plan authorizes the issuance of options up to a maximum of 10% of the Company's issued shares. The exercise price of any option granted shall not be less than the fair market value of the shares at the time of the grant. The expiry date for each option, set by the Board of Directors at the time of issue, shall not be more than ten years after the grant date. Unless stipulated by the Board of Directors, options granted generally vest fully on the date of grant. During the year ended August 31, 2020, the Company issued 850,000 (2019 – nil) stock options to directors. The stock options vested fully on grant. In September 2020, the Company issued a further 450,000 stock options to advisory board members and a consultant.

5. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the three-month period ended November 30, 2020, the Company incurred $54,000 (2019 - $11,500) for consulting fees. As of November 30, 2020, one officer owed $3,150 to the Company.

6. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and receivables. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is not exposed to significant liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

7. CAPITAL MANAGEMENT

The Company does not generate cash flows from operations. The Company’s primary source of funds comes from the issuance of common shares and loans from related parties. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern. The Company did not change its approach to capital management during the quarter ended November 30, 2020.

The Company defines its capital as shareholders' equity and related party loans. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

8. SUBSEQUENT EVENT

The Company continues its efforts to conclude acceptable financial arrangements which would allow us to continue with our proposed acquisition transaction.