TOCVAN VENTURES CORP.

FINANCIAL STATEMENTS

August 31, 2019

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tocvan Ventures Corp.

Opinion

We have audited the financial statements of Tocvan Ventures Corp. (the "Company"), which comprise the statements of financial position as at August 31, 2019 and 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended August 31, 2019 and for the period from May 23, 2018 (inception) to August 31, 2018, and notes to the financial statements, including a summary of significant accounting policies (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2019 and 2018, and its financial performance and its cash flows for the year ended August 31, 2019 and for the period from May 23, 2018 (inception) to August 31, 2018 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

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes events and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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. 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
December 30, 2019

MOORE

An independent firm
associated with Moore
Global Network Limited

TOCVAN VENTURES CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

		August 31, 2019		August 31, 2018
ASSETS				
CURRENT				
Cash	$	249,601	$	60,631
GST receivable		2,594		2,324
Due from related party (Note 6)		8,739		–
Prepaid expenses		350		–
TOTAL CURRENT ASSETS		261,284		62,955
Exploration and evaluation assets (Note 3)		120,016		6,643
TOTAL ASSETS	**$**	**381,300**	**$**	**69,598**
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 4)	$	32,034	$	14,000
Due to related parties (Note 6)		9,333		–
TOTAL CURRENT LIABILITIES		41,367		14,000
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		465,506		73,750
Reserves (Note 5)		53,417		–
Deficit		(178,990)		(18,152)
TOTAL SHAREHOLDERS' EQUITY		339,933		55,598
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**381,300**	**$**	**69,598**

Nature and continuance of operations (Note 1)
Subsequent events (Notes 3 and 10)

"Derek Wood"	"Greg Ball"
Director	Director

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

TOCVAN VENTURES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		Year Ended August 31, 2019		Period from May 23, 2018 (inception) to August 31, 2018
EXPENSES				
Advertising and promotion	$	10,000	$	1,000
Audit and accounting		16,971		8,000
Consulting		36,000		3,000
Legal		10,393		3,000
Meals and entertainment		5,089		76
Office and miscellaneous		7,044		233
Project investigation costs		10,000		–
Registration and transfer fees		48,011		–
Stock-based compensation (Notes 5 and 6)		8,872		–
Travel		8,458		2,843
Operating expenses		(160,838)		(18,152)
Net and comprehensive loss	**$**	**(160,838)**	**$**	**(18,152)**
Loss per share, basic and diluted	**$**	**(0.02)**	**$**	**(0.01)**
Weighted average number of shares outstanding – basic and diluted		**7,564,178**		**2,406,750**

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

TOCVAN VENTURES CORP.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total Equity
Balance at May 23, 2018	**–**	**$ –**	**$ –**	**$ –**	**$ –**
Shares issued for cash	4,625,000	73,750	–	–	73,750
Loss for the period	–	–	–	(18,152)	(18,152)
Balance at August 31, 2018	**4,625,000**	**73,750**	**–**	**(18,152)**	**55,598**
Shares issued for cash	5,200,000	504,000	–	–	504,000
Shares issued for exploration property	500,000	60,000	–	–	60,000
Share issuance costs	–	(172,244)	44,545	–	(127,699)
Stock-based compensation	–	–	8,872	–	8,872
Loss for the year	–	–	–	(160,838)	(160,838)
Balance at August 31, 2019	**10,325,000**	**$ 465,506**	**$ 53,417**	**$ (178,990)**	**$ 339,933**

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

TOCVAN VENTURES CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

		Year Ended August 31, 2019		Period from May 23, 2018 (inception) to August 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$	(160,838)	$	(18,152)
Items not involving cash:				
Stock based compensation		8,872		–
Changes in non-cash working capital items				
GST receivable		(270)		(2,324)
Due to related party		9,333		–
Due from related party		(8,739)		–
Prepaid expenses		(350)		–
Accounts payable and accrued liabilities		6,889		14,000
Net cash used in operating activities		(145,103)		(6,476)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares, net		376,301		73,750
Net cash provided by financing activities		376,301		73,750
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation asset expenditures		(42,228)		(6,643)
Net cash used in investing activities		(42,228)		(6,643)
Change in cash		188,970		60,631
Cash, beginning		60,631		–
Cash, ending	$	249,601	$	60,631
NON CASH TRANSACTIONS				
Exploration and evaluation asset expenditures included in accounts payable	$	11,145	$	–
Fair value of agent warrants issued	$	(44,545)	$	–
Shares issued for exploration property	$	60,000	$	–

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Tocvan Ventures Corp. (the "Company") was incorporated on May 23, 2018 under the Alberta Business Corporations Act. Effective March 1, 2019, the Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "TOC".

The Company's head office address is Suite 820 – 1130 West Pender St., Vancouver, British Columbia V6E 4A4 Canada. The registered and records office address is Suite 730, 1015 – 4th Street SW, Calgary, Alberta, T2R 1J4 Canada.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties. At August 31, 2019, the Company had not yet determined whether the property contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At August 31, 2019, the Company had an accumulated deficit of $178,990 and expects to incur further losses, and require additional equity financing in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, the functional currency of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Use of estimates, assumptions and judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the recoverability of exploration and evaluation assets and deferred exploration costs, provisions for restoration and environmental obligations and contingent liabilities, stock-based compensation and deferred tax valuation allowance.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

1) the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
2) the determination that the company will continue as a going concern for the next years; and
3) the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets

c) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Costs incurred once the Company has obtained the legal rights to explore an area are capitalized.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

From time-to-time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

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; 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Exploration and evaluation expenditures (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.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Although the Company has taken steps that it considers adequate to verify title to exploration and evaluation assets which it has an interest in, these procedures do not guarantee the Company's title.

d) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

e) Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Impairment (continued)

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. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Provision for closure and reclamation

The Company recognizes liabilities for statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at August 31, 2019.

g) Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, 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 payment 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) Basic and diluted loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. The company has no dilutive instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

j) 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. 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.

The Company's financial instruments consist of cash, amounts receivable and accounts payable and accrued liabilities which are all classified at amortized cost.

Measurement

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 net (loss) income. 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 net (loss) income in the period in which they arise.

Impairment of financial assets at amortized cost

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 net (loss) income, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial instruments (continued)

Derecognition
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. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

k) Revenue

Effective September 1, 2018, the Company adopted IFRS 15 Revenue from Contracts with Customers ("IFRS 15") on a retroactive basis in accordance with the transitional provisions. IFRS 15 replaces IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The new standard is based on the principle that revenue is recognized when control of goods or services transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The new standard requires companies to follow a five-step model to determine if revenue should be recognized:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when the entity satisfies the performance obligation

The Company has concluded that there are no differences between the point of risks and rewards transfer and the point of transfer of control under IFRS 15. As such, no adjustment has been recorded to the comparative figures.

l) Recent Accounting Standards

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2018, or later periods.

IFRS 16, Leases
IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 is effective for years beginning on or after January 1, 2019. The Company does not anticipate the adoption of this standard to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets
Title to exploration and evaluation asset interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to its exploration and evaluation asset and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Total costs incurred on exploration and evaluation assets are summarized as follows:

		Roger Creek Project
Acquisition Costs		
Balance, May 23, 2018 and August 31, 2018	$	-
Cash		25,000
Shares issued		60,000
Balance, August 31, 2019	$	85,000
Deferred exploration expenditures		
Balance, May 23, 2018	$	-
Geologist fees and assays		6,643
Balance, August 31, 2018		6,643
Geologist fees and assays		28,373
Balance, August 31, 2019	$	35,016
Balance, August 31, 2018	**$**	**6,643**
Balance, August 31, 2019	**$**	**120,016**

Rogers Creek
On May 23, 2018, the Company entered into a purchase agreement with Carube Copper Corp. ("the Vendor") to earn an 80% interest in certain mineral claims known as the Rogers Creek property (the "Property") in the province of British Columbia. To acquire the 80% interest, the Company agreed to:

i. pay $25,000 to the Vendor within five days after being listed on the CSE (the "Listing Date") (paid March 1, 2019);
ii. issue a total of 500,000 common shares to the Vendor on the Listing Date (issued March 7, 2019);
iii. issue 200,000 common shares to Vendor, and complete $200,000 in exploration within 30 days of the first anniversary of Listing Date;
iv. issue 200,000 common shares to Vendor, and complete $300,000 in exploration within 30 days of the second anniversary of Listing Date;
v. issue 200,000 common shares to Vendor, and complete $400,000 in exploration within 30 days of the third anniversary of the Approval Date; and
vi. Issue 200,000 common shares to Vendor, and complete $1,000,000 in exploration within 30 days of the fourth anniversary of the Approval Date.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

If the Company determines that the Property is not economically viable after assessing the results of the $200,000 expenditure, at the Company's sole discretion it can terminate the option to purchase by giving written notice to Vendor at least 30 days before the first anniversary.

Once the Company has earned its 80% interest in the Property, the Company will have the option to participate with the Vendor in repurchasing any net smelter royalties ("NSRs") held by third parties. Should the Company and the Vendor decide to purchase third party NSRs, the Company will be required to fund 80% of the cost of repurchase.

Subsequent to the year ended, September 16, 2019, the purchase agreement was amended, and the Company is only required to incur $100,000 in exploration expenditures prior to the first anniversary the Listing Date.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		August 31, 2019		August 31, 2018
Accounts payable	$	22,034	$	-
Accrued liabilities		10,000		14,000
	$	**32,034**	**$**	**14,000**

5. SHARE CAPITAL

Authorized
The authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of shares designated as preferred shares.

Share issuances
On March 7, 2019, the Company issued 500,000 common shares at $0.12 per share, a fair value of $60,000, as the first payment on the Property (Note 3).

On February 28, 2019, the Company completed its Initial Public Offering ("IPO") and issued 5,000,000 units at $0.10 per unit for gross proceeds of $500,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at a price of $0.20 per share until August 31, 2020.

In connection with the IPO, the Company incurred share issuance costs of $127,699 in professional fees and $44,545 by issuing 500,000 agents warrants to purchase 500,000 units at a price of $0.10 per unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at $0.20. The Company calculated stock-based compensation of $44,545 using the Black Scholes option pricing model with the following assumptions: Unit price - $0.10; Exercise price - $0.10; Expected life – 3 years; Expected volatility – 183.5%; risk free interest rate – 1.78%. The agent warrants and the underlying share purchase warrant are exercisable until February 28, 2022.

On October 15, 2018, the Company issued 200,000 common shares at a price of $0.02 per share for proceeds of $4,000.

On August 15, 2018, the Company issued 725,000 common shares at a price of $0.02 for proceeds of $14,500.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

On July 24, 2018, the Company issued 2,650,000 common shares at a price of $0.02 for proceeds of $53,000.

On May 23, 2018, the Company issued 1,250,000 common shares at a price of $0.005 for proceeds of $6,250.

Stock Options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options		Weighted Average Exercise Price
Balance at May 23, 2018 and August 31, 2018	–	$	–
Granted	482,500		0.10
Balance at August 31, 2019	482,500	$	0.10
Exercisable at August 31, 2019	482,500	$	0.10

As at August 31, 2019, the following incentive stock options are outstanding:

Number of Stock Options		Exercise Price	Expiry Date
482,500	$	0.10	October 16, 2023
482,500			

On October 16, 2018, the Company granted 482,500 fully vested stock options to certain directors and officers of the Company which entitle the holder to purchase one common share for each option held at a price of $0.10 per share up to October 16, 2023. (Note 6)

In connection with this grant, the Company calculated stock-based compensation of $8,872 using the Black Scholes option pricing model with the following assumptions: Share price - $0.02; Exercise price - $0.10; Expected life – 5 years; Expected volatility – 183.5%; risk free interest rate – 2.40%.

Warrants

On February 28, 2019 the Company issued 500,000 agent warrants to purchase 500,000 units at a price of $0.10 per unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at $0.20. The agent warrants and the underlying share purchase warrant are exercisable until February 28, 2022.

In connection with these agent warrants, the Company calculated stock-based compensation of $44,545, recorded as share issuance costs, using the Black Scholes option pricing model with the following assumptions: Share price - $0.10; Exercise price - $0.10; Expected life – 3 years; Expected volatility – 183.5%; risk free interest rate – 1.78%.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

Warrants (continued)
A summary of the Company's warrants are as follows:

	Number of Agent Warrants	Weighted Average Exercise Price
Balance at May 23, 2018 and August 31, 2018	–	$ –
Issued	500,000	0.10
Balance at August 31, 2019	500,000	$ 0.10

The warrants have an expiry date of February 28, 2022.

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having 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 members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the year ended August 31, 2019 and for the period from May 23, 2018 (inception) to August 31, 2018 was as follows:

	August 31, 2019	August 31, 2018
Exploration expense	$ 10,000	$ –
Stock-based compensation	8,872	–
	$ 18,872	$ –

Related party balances
At August 31, 2019, $7,636 was owed from the Company's CEO for an advance on expenses (August 31, 2018 - $nil).

At August 31, 2019, $1,103 was owed from a company that is controlled by a director (August 31, 2018 - $nil) for an advance on expenses (August 31, 2018 - $nil).

At August 31, 2019, $9,333 was owed to a director of the Company for consulting expenses. (August 31, 2018 - $nil).

These amounts are unsecured, non-interest bearing and due on demand.

Share issuances
During the period ended August 31, 2018, the Company issued 1,250,000 common shares to directors of the Company, at a price of $0.005 for proceeds of $6,250.

During the period ended August 31, 2018, the Company issued 500,000 common shares to directors of the Company, at a price of $0.02 for proceeds of $10,000.

7. CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS

a) Fair Value

The Company's financial instruments consist of cash, GST receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	August 31, 2019	**August 31, 2018**
Financial assets at amortized cost (i)	$ 12,083	$ 2,324
Financial liabilities at amortized cost (ii)	$ 57,118	$ 6,643

(i) GST receivable and due from related parties
(ii) Due to related parties, accounts payable and accrued liabilities

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, which is held with a high credit quality financial institution and GST receivable from the Government of Canada. As such the Company's credit risk exposure is minimal.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS (continued)

e) Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

f) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		For the year ended August 31, 2019		Period form May 23, 2018 (inception) to August 31, 2018
Net Loss	$	(160,838)	$	(18,152)
Statutory tax rate		27%		26%
Expected income tax recovery at the statutory tax rate	$	(43,430)	$	(4,720)
Non-deductible items and other		5,890		-
Share issue costs		(46,510)		-
Change in recognized deferred assets		84,050		4,720
Income tax recovery	**$**	**-**	**$**	**-**

The significant components of the Company's deferred tax assets and liabilities are as follows:

		For the year ended August 31, 2019		Period form May 23, 2018 (inception) to August 31, 2018
Deferred tax assets				
Non-capital losses	$	47,420	$	4,720
Share issuance costs		37,210		-
Investment tax credits		4,140		-
	$	88,770	$	4,720
Unrecognized deferred tax assets		(88,770)		(4,720)
Net deferred income tax assets	**$**	**-**	**$**	**-**

The Company has non-capital losses for Canadian income tax purposes of approximately $175,000 which may be carried forward and applied against taxable income in the future. These losses, if not utilized, will expire starting in 2038.

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

10. SUBSEQUENT EVENTS

Share issuances and stock option grants

- On September 17, 2019 Tocvan and Carube Copper Corp. signed an amendment to the original option agreement reducing Tocvan's Year One minimum work commitment from $200,000 to $100,000
  - Tocvan will issue 200,000 Common Shares to Carube for $100,000 to fund the work commitment
  - The 2019 IP Survey, together with other exploration activity will provide for this work commitment

- On October 26, 2019, the Company granted 550,000 fully vested stock options to certain directors and officers of the Company and to consultants which entitle the holder to purchase one common share for each option held at a price of $0.15 per share up to October 24, 2024.

- On October 28, 2019 25,000 shares were issued when 25,000 agent warrants at $0.10 per warrant were exercised for total proceeds of $2,500.

- On October 30, 2019 14,250 shares were issued when 14,250 agent warrants at $0.10 per warrant were exercised for total proceeds of $1,425.

- On November 4 2019, 212,500 shares were issued when 212,500 options at $0.10 per option were exercised by directors of the company for total proceeds of $21,250.

- On November 6 2019, 135,000 shares were issued when 135,000 options at $0.10 per option were exercised by directors of the company for total proceeds of $13,500.

- On November 12 2019, 135,000 shares were issued when 135,000 options at $0.10 per option were exercised by directors of the company for total proceeds of $13,500.

- On November 25 2019, 2,000,000 shares were issued at a fair value of $0.13 per share as payment on completion of due diligence on the Pilar property pursuant to the Property Option Agreement dated September 22, 2019 between the Company and Colibri Resource Corp. $100,000 was also paid in association with this agreement

- On November 26, 2019, 28,250 shares were issued when 28,250 agent warrants at $0.10 per warrant were exercised for total proceeds of $2,825.

Exploration and evaluation assets

On September 22, 2019 the Company signed an option agreement to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project"). Under the terms of the option agreement the Company has advanced a nonrefundable deposit to Colibri Resource Corp. (“Colibri”) of $25,000. The Company will now undertake a 60-day due diligence period to continue to evaluate the property in more detail. Upon satisfactory due diligence, should the Company decide to proceed, they will advance Colibri an additional $100,000 and issue Colibri 2,000,000 treasury shares. The Company will then have 12 months to perform their year one work commitment of $250,000.

10. SUBSEQUENT EVENTS (continued)

The Company will have five years to fulfill its commitment under the option agreement. With payments and work commitments as follows. Cash payment each year of $50,000, $ 75,000, $ 75,000, $75,000 and $75,000. The Company will also issue Colibri 1,000,000 treasury share on or before the 2nd 3rd and 4th anniversary date of the option agreement. The Company will perform a minimum of $350,000, $400,000, $500,000 and $500,000 of qualified work expenditures on or before the 2nd 3rd 4th and 5th anniversary date of this agreement.

Once the Company has fulfilled the above commitments it will have earned into a 51% interest in the property and will have a six-month option to decide to purchase the remaining 49% interest in the property or establish a joint venture agreement with Colibri. The option to acquire the additional interest will require a $2,000,000 cash payment and granting Colibri a 2% NSR. 1% of which can be repurchased for an additional cash payment of $1,000,000.

On November 25 2019, 2,000,000 shares were issued as payment on completion of due diligence on the Pilar property pursuant to the Property Option Agreement dated September 22, 2019 between the Company and Colibri. $100,000 was also pursuant to this agreement.