

**LEOCOR VENTURES INC.**

**FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS AND PERIOD ENDED JANUARY 31, 2020 AND 2019**

Expressed in Canadian Dollars

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

**LEOCOR VENTURES INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**Expressed in Canadian Dollars**

	<b>January 31, 2020</b>	<b>October 31, 2019</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 428,229	\$ 474,151
Receivable	1,437	796
Prepaid expenses	1,180	-
	<b>430,846</b>	<b>474,947</b>
Exploration and evaluation assets (Note 4)	106,600	81,600
	<b>\$ 537,446</b>	<b>\$ 556,547</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 7,585	\$ 1,805
<b>Equity</b>		
Share capital (Note 5)	729,790	729,790
Shares to be issued (Note 4)	-	-
Contributed surplus	22,706	22,706
Deficit	(222,635)	(197,754)
	<b>529,861</b>	<b>554,742</b>
	<b>\$ 537,446</b>	<b>\$ 556,547</b>

Nature and continuance of operations (Note 1)

Approved and authorized for issue on behalf of the Board on March 20, 2020:

Ob behalf of the Board:

"Alex Klenman"

Director

"Chris Cooper"

Director

**LEOCOR VENTURES INC.**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**Expressed in Canadian Dollars**

	<b>Three months ended January 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>EXPENSES</b>		
Audit fee	\$ 2,500	\$ -
Filing fee	1,950	11,190
Investor relations	3,763	-
Legal fees	1,629	21,053
Office and administration	15,039	15
<b>Loss and comprehensive loss</b>	<b>\$ 24,881</b>	<b>\$ 32,258</b>
<b>Basic and diluted loss per share</b>	<b>\$ 0.001</b>	<b>\$ 0.002</b>
<b>Weighted average number of common shares outstanding</b>	<b>18,000,000</b>	<b>14,006,522</b>

**LEOCOR VENTURES INC.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY**  
Expressed in Canadian Dollars

	Number of common shares	Share capital	Shares to be issued	Share-based payment reserve	Deficit	Total equity
<b>Balance, October 31, 2018</b>	<b>14,000,000</b>	<b>\$ 400,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ (27,003)</b>	<b>\$ 402,997</b>
Shares issued for mineral property (note 5)	600,000	30,000				30,000
Shares to be issued	-	-	(30,000)	-	-	(30,000)
Comprehensive loss for the period	-	-	-	-	(32,258)	(32,258)
<b>Balance, January 31, 2019</b>	<b>14,600,000</b>	<b>\$ 430,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (59,261)</b>	<b>\$ 370,739</b>

	Number of common shares	Share capital	Shares to be issued	Share-based payment reserve	Deficit	Total equity
<b>Balance, October 31, 2019</b>	<b>18,000,000</b>	<b>\$ 729,790</b>	<b>\$ -</b>	<b>\$ 22,706</b>	<b>\$ (197,754)</b>	<b>\$ 554,742</b>
Comprehensive loss for the period	-	-	-	-	(24,881)	(24,881)
<b>Balance, January 31, 2020</b>	<b>18,000,000</b>	<b>\$ 729,790</b>	<b>\$ -</b>	<b>\$ 22,706</b>	<b>\$ (222,635)</b>	<b>\$ 529,861</b>

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

**LEOCOR VENTURES INC.**  
**STATEMENTS OF CASH FLOWS**  
**Expressed in Canadian Dollars**

	<b>Three months ended January 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Loss	\$ (24,881)	\$ (32,258)
Changes in working capital		
Prepaid expenses	(1,180)	
Receivable	(641)	(1,314)
Accounts payable and accrued liabilities	5,780	18,517
	(20,922)	(15,055)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(25,000)	-
<b>Change in cash</b>	(45,922)	(15,055)
Cash, beginning	474,151	331,815
Cash, ending	\$ 428,229	\$ 316,760

**SUPPLEMENTAL CASH DISCLOSURES AND NON-CASH TRANSACTIONS**

Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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

**LEOCOR VENTURES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the three months ended January 31, 2020**  
**Expressed in Canadian Dollars**

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Leocor Ventures Inc. (the “Company”) was incorporated under the *British Columbia Business Corporations Act* on July 26, 2018. The Company’s registered and records office is located on the 10<sup>th</sup> Floor, 595 Howe Street, Vancouver BC.

During the year ended October 31, 2019 the Company completed the Initial Public Offering (“IPO”) and its shares were listed on the Canadian Securities Exchange on June 18, 2019 and commenced trading on June 21, 2019 under the symbol “LECR”. The Company is in the exploration stage and its principal business activity is the search for, and exploration of mineral properties.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. At January 31, 2020, the Company has not generated revenue or cash flow from operations to adequately fund its activities and has therefore relies upon external financing for its operational expenses. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company intends to continue relying upon external financing to finance its future activities but there can be no assurance that such financing will be available on a timely basis and/or on terms acceptable to the Company.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. 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 or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

Although these financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations and the Company’s ability to continue as a going concern.

**LEOCOR VENTURES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. BASIS OF PREPARATION**

(a) Statement of compliance

The condensed interim financial statements for the three months ended January 31, 2020 were prepared in accordance with the International Financial Reporting Standards (“IFRS”) in effect at January 31, 2020, issued by the International Accounting Standard Board (“IASB”). Significant accounting policies are described in the Note 2 of the audited financial statements for the period ended October 31, 2019. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented below.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets, financial liabilities and investments to fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The presentation and functional currency of the Company is the Canadian dollar.

(c) Significant accounting judgements and estimates

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 expenses during the reporting period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of the revision and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to determination of fair value of financial instruments (see Note 2 in the audited financial statements for the period ended October 31, 2019).



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**2. BASIS OF PREPARATION (continued)**

(c) Significant accounting judgements and estimates (continued)

In preparing the financial statements, management makes judgments regarding the application of IFRS for the Company's accounting policies. Significant judgments relate to the following areas:

(i) *Going concern assumption*

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation.

(ii) *Income taxes*

Judgements are made by management at the end of the reporting period to determine the likelihood that deferred income tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws.

While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash and accounts payable.

**Fair values**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments and in accordance with the fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of accounts payable approximate their fair values due to the expected maturity of these financial instruments.

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Financial instrument risk exposure and risk management**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, commodity tax recoverable, and subscription receivable. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding from third parties. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

(c) Market risk

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

i. Interest rate risk

Some of the Company's accounts payable are subject to interest on unpaid balances.

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**Financial instrument risk exposure and risk management (continued)**

(c) Market risk (continued)

ii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

**4. EXPLORATION AND EVALUATION ASSETS**

On October 9, 2018 the Company entered into an option agreement to acquire a 100% undivided interest in the Shotgun Mineral Property consisting of five mineral claims and located in Lillooet Mining Division, British Columbia, Canada. The agreement was amended on October 25, 2019.

As at January 31, 2020 and October 31, 2019, the Company incurred the following exploration and evaluation costs related to the Shotgun Mineral Property:

	<b>Acquisition</b>	<b>Exploration</b>	<b>Total</b>
Balance, October 31, 2018	\$ 75,000	\$ -	\$ 75,000
Geological consulting	-	6,600	6,600
Balance, October 31, 2019	\$ 75,000	\$ 6,600	\$ 81,600
Cash paid	25,000	-	25,000
<b>Balance, January 31, 2020</b>	<b>\$ 100,000</b>	<b>\$ 6,600</b>	<b>\$ 106,600</b>

To earn the interest the Company must:

- (a) Issue a total of 1,200,000 common shares and pay \$85,000 in cash as follows:
- i. issue 600,000 shares (issued) and pay \$45,000 (paid) on or before the date the Company becomes a listed issuer;
  - ii. pay \$25,000 (paid) on or before December 31, 2019; and
  - iii. pay \$15,000 and issue 600,000 shares on or before December 31, 2020.
- (b) Spend a total of \$1,200,000 on exploration as follows:
- i. \$150,000 by December 31, 2020;
  - ii. \$300,000 between January 1, 2021 and December 31, 2021; and
  - iii. \$750,000 between January 1, 2022 and December 31, 2022.

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**4. EXPLORATION AND EVALUATION ASSETS (continued)**

Upon earning a 100% interest in the property, the Company shall grant the optionor a net smelter returns Royalty (“NSR”) of 3%. The Property is also subject to the Annual Advance Minimum Royalty payment of \$100,000 beginning on May 31, 2021.

**5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE**

**Share Capital**

(a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Escrow Shares:

As at January 31, 2020, 150,000 common shares of the Company were held in escrow.

(c) As at January 31, 2020 18,000,000 common shares were issued and outstanding.

On May 24, 2019 the Company closed the IPO (Note 1) of 3,400,000 shares at a price of \$0.10 per share. In connection with completion of the offering the Company paid \$27,872 and issued 238,000 of finders’ warrants (valued at \$12,338) exercisable at \$0.10 until May 24, 2021.

In January 2019, the Company issued 600,000 shares for the Shotgun Mineral Property (Note 4).

Subsequent to the period ended January 31, 2020 the Company issued 47,530 shares on exercise of warrants.

**Warrants**

No warrants were issued during the three months ended January 31, 2020.

During the year ended October 31, 2019 the Company issued 200,000 warrants to an Agent (Note 1) valued at \$10,368. The warrants are exercisable at \$0.10 for a period of two years. During the year ended October 31, 2019 the Company issued 238,000 finders warrants (Note 5(c)) valued at \$12,338. The warrants are exercisable at \$0.10 for a period of two years.

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**5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)**

**Warrants (continued)**

The fair value of the warrants was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.10; exercise price – \$0.10; expected life – two years; volatility – 97%; dividend yield – \$nil; and risk-free rate – 1.61%.

As at January 31, 2020 and October 31, 2019, the Company had 438,000 warrants outstanding to acquire common shares of the Company as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Number of warrants outstanding</b>	<b>Weighted average remaining contractual life (in years)</b>
May 24, 2021	\$ 0.10	438,000	1.31

Subsequent to the three months ended January 31, 2020 47,530 warrants were exercised at a price of \$0.10 per share.

**6. KEY MANAGEMENT COMPENSATION AND RELATED PARTY BALANCES AND TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). Amounts paid and accrued to key management are included in general expenses as follows:

	<b>January 31, 2020</b>	<b>January 31, 2019</b>
Administration fees	\$ 15,000	\$ -

There were no payables to related parties as at January 31, 2020 or October 31, 2019.

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**Expressed in Canadian Dollars**

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**7. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended January 31, 2020. The Company is not subject to externally imposed capital requirements.

**8. COMMITMENTS**

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 4.