LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2020 AND 2019

Expressed in Canadian Dollars

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Leocor Gold Inc. (formerly Leocor Ventures Inc.).

Opinion

We have audited the financial statements of Leocor Gold Inc. (the "Company") which comprise the statement of financial position as at October 31, 2020 and 2019, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audits 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters 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. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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 audits 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 on this other information, 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 as issued by the International Accounting Standards Board, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' report is Joseph Bonvillain.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
February 26, 2021

LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

	October 31, 2020	October 31, 2019
ASSETS		
Current		
Cash	$ 2,164,776	$ 474,151
Receivable	2,193	796
Prepaid expenses	11,017	-
	2,177,986	474,947
Exploration and evaluation assets (note 4)	256,167	81,600
	$ 2,434,153	**$ 556,547**
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	$ 55,689	$ 1,805
Equity		
Share capital (note 5)	3,077,613	729,790
Share-based payment reserve	534,953	22,706
Deficit	(1,234,102)	(197,754)
	2,378,464	554,742
	$ 2,434,153	**$ 556,547**

Nature and continuance of operations (note 1)
Commitments (note 9)

Approved and authorized for issue on behalf of the Board on February 26, 2021:

Ob behalf of the Board:

"Alex Klenman"
Director

"Chris Cooper"
Director

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

LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
STATEMENTS OF COMPREHENSIVE LOSS
Expressed in Canadian Dollars

	Years ended October 31,	
	2020	**2019**
EXPENSES		
Audit fee	$ 22,000	$ 11,000
Consulting	34,278	3,000
Filing fee	55,168	3,577
Foreign exchange	878	-
Investor relations	24,973	5,658
Legal fees	38,275	-
Listing	-	127,163
Marketing	248,735	-
Office and administration	62,156	20,353
Share-based compensation	443,285	-
Write-down of exploration and evaluation assets (note 4)	106,600	-
Operating expenses	$ 1,036,348	$ 170,751
Net loss	1,036,348	170,751
Basic and diluted loss per share	$ 0.05	$ 0.01
Weighted average number of common shares outstanding	19,536,151	15,939,178

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

LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian Dollars

	Number of common shares	Share capital	Shares to be issued	Share-based payment reserve	Deficit	Total equity
Balance, October 31, 2018	**14,000,000**	**$ 400,000**	**$ 30,000**	**$ -**	**$ (27,003)**	**$ 402,997**
Shares issued for mineral property	600,000	30,000	(30,000)	**-**		-
Shares issued in Initial Public Offering	3,400,000	340,000	-	-	-	340,000
Share issue costs	-	(40,210)	-	12,338	-	(27,872)
Warrants issued to the Agent in Initial Public Offering	-	-	-	10,368	-	10,368
Comprehensive loss for the year	-	-	-	-	(170,751)	(170,751)
Balance, October 31, 2019	**18,000,000**	**$ 729,790**	**$ -**	**$ 22,706**	**$ (197,754)**	**$ 554,742**
Balance, October 31, 2019	**18,000,000**	**$ 729,790**	**$ -**	**$ 22,706**	**$ (197,754)**	**$ 554,742**
Shares issued in private placement	6,000,000	2,400,000	-	-	-	2,400,000
Shares issued on exercise of warrants	234,614	35,613	-	(12,150)	-	23,463
Share issue costs	-	(130,290)	-	81,112	-	(49,178)
Shares issued for exploration and evaluation assets (notes 4 and 5)	50,000	42,500	-	-	-	42,500
Share-based compensation	-	-	-	443,285	-	443,285
Comprehensive loss for the year	-	-	-	-	(1,036,348)	(1,036,348)
Balance, October 31, 2020	**24,284,614**	**$ 3,077,613**	**$ -**	**$ 534,953**	**$ (1,234,102)**	**$ 2,378,464**

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

LEOCOR GOLD INC.
(formerly Leocor Ventures Inc.)
STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars

	Years ended October 31, 2020	2019
OPERATING ACTIVITIES		
Net loss	$ (1,036,348)	$ (170,751)
Adjustments for non-cash items		
Financing fee paid by issuing warrants	-	20,368
Share based compensation	443,285	-
Write-down of exploration and evaluation assets	106,600	
Changes in working capital		
Prepaid expenses	(11,017)	-
Receivable	(1,397)	(796)
Accounts payable and accrued liabilities	53,883	(12,013)
	(444,994)	$ (163,192)
INVESTING ACTIVITIES		
Exploration and evaluation assets	$ (238,667)	$ (6,600)
FINANCING ACTIVITIES		
Warrants exercised	$ 23,461	$ -
Shares issued for cash net of cash share issue costs	2,400,000	340,000
Cash share issue costs	(49,175)	(27,872)
	$ 2,374,286	$ 312,128
Increase in cash	1,690,625	142,336
Cash, beginning	474,151	331,815
Cash, ending	$ 2,164,776	$ 474,151

SUPPLEMENTAL CASH DISCLOSURES AND NON-CASH TRANSACTIONS

	2020	2019
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
Shares issued for mineral properties (note 4)	$ 42,500	$ 30,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Leocor Gold Inc. (formerly 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 10th 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. On July 28, 2020, the Company changed its name to Leocor Gold Inc.

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 October 31, 2020 the Company has not generated revenue or cash flow from operations to adequately fund its activities and has therefore relied 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 plans 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.

In early March 2020, there was a global outbreak of coronavirus (COVID-19). The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. The Company's exploration activities in Canada have not been significantly affected by the pandemic to date. If the Company becomes unable to conduct future exploration activities over the long-term in the future, this may result in a potential material impairment of exploration and evaluation assets. The Company continues to monitor and assess the impact of COVID-19 on its business activities. Currently the potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

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.

These factors, among others, could have a significant impact on the Company's operations.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS") as issued by the International Accounting Standards Board (“IASB”). These financial statements were approved by the Board of Directors of the Company on February 26, 2021.

(b) Basis of presentation

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

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

(c) Significant accounting judgements and estimates

The preparation of these financial statements in conformity with IFRS 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 period.

Although management uses experience and its best efforts in forming such judgments, assumptions and estimates and believe them to be reasonable in the circumstances, actual results may differ.

The most significant areas of estimation include the recoverability of exploration and evaluation assets, valuation of share-based compensation and other equity-based payments and the recoverability and measurement of deferred tax assets and liabilities and the areas of uncertainty considered by management are as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Significant accounting judgements and estimates (continued)

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based compensation

The Company uses the Black-Scholes Option 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.

Decommissioning restoration provision

The Company will record a provision for decommissioning and restoration provision based on management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for the discounting future cash outflows. Changes in the above factors can results in a change to the provision recognized by the Company. Changes to any restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expenses.

Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Significant accounting judgements and estimates (continued)

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, twelve months from the end of the reporting period. The Company has disclosed a material uncertainty regarding going concern in Note 1 which requires the use of management's judgment on the ability of the Company to continue its operations and to develop or acquire a self-sustaining business or assets.

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.

The accounting policies followed by the Company are set out below:

Cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of October 31, 2020, the Company held no cash equivalents.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated, the capitalized costs of the related property are first tested for impairment and then reclassified to mining assets and amortized over the estimated useful life of the property.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

The costs include the cash or other consideration and the assigned value of shares issued, if any, on the acquisition of exploration and evaluation assets. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The Company does not accrue the estimated future cost of maintaining its exploration and evaluation assets in good standing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Capitalized costs as reported on the statements of financial position represent costs incurred to date and may not reflect actual, present, or future values. Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the exploration and evaluation property interests.

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Write-downs due to impairment in value are charged to profit or loss.

General exploration costs not related to specific properties and general administrative expenses are charged to profit or loss in the period in which they are incurred.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

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

The recoverable amount of assets is the greater of an asset's fair value less cost to sell 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of the 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 amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based compensation (continued)

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the periods presented, this calculation proved to be anti-dilutive.

Financial instruments

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 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. Cash is measured at FVTPL.

Impairment
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) amortized cost. 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 are classified under financial liabilities at amortized cost.

As at October 31, 2020, the Company does not have any derivative financial liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current income tax

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

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

Deferred tax

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign exchange (continued)

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

New Accounting Standards

Adoption of IFRS 16 Leases ("IFRS 16")
Effective November 1, 2019, the Company adopted IFRS 16 which supersedes IAS 17 *Leases* ("IAS 17"). The Company has applied the new standard using the modified retrospective approach with no restatement of comparative periods. There were no adjustments to retained earnings as a result of adoption as the Company does not have long-term leases in place.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after November 1, 2019, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list above.

Standards issued but not yet effective

There were no standards issued but not yet effective up to the date of issuance of the Company's financial statements that might significantly impact the Company.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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.

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. 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.

Expressed in Canadian Dollars

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(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.

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

During the years ended October 31, 2020 and 2019 the Company incurred the following exploration and evaluation costs related to the mineral properties:

	Shotgun project	
Balance, October 31, 2018	**$**	**75,000**
Additions:		
Exploration:		
Report		6,600
Total exploration	$	6,600
Total expense during the year	$	6,600
Balance, October 31, 2019	**$**	**81,600**

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended October 31, 2020 the Company incurred the following exploration and evaluation costs related to mineral properties:

	Shotgun project	Dorset	Copper Creek	Total
Balance, October 31, 2019	**$ 81,600**	**$ -**	**$ -**	**$ 81,600**
Acquisition costs:				
Cash	25,000	102,825	28,632	156,457
Shares issued	-	-	42,500	42,500
Total addition to acquisition costs	$ 25,000	102,825	71,132	$ 198,957
Exploration costs:				
Assay	-	9,273	-	9,273
Geological	-	44,200	-	44,200
Field supplies	-	1,280	-	1,280
Field workers	-	9,695	11,850	21,545
Licenses	-	450	-	450
Travel	-	5,462	-	5,462
Total additions to exploration costs	$ -	$ 70,360	$ 11,850	$ 82,210
	106,600	173,185	82,982	362,767
Write-down of exploration and evaluation assets	(106,600)	-	-	(106,600)
Balance, October 31, 2020	**$ -**	**$ 173,185**	**$ 82,982**	**$ 256,167**

Shotgun Mineral Property

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. To earn the interest the Company must:

(a) Issue a total of 1,200,000 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.

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.

As of October 31, 2020, the Company decided not to pursue the acquisition of the property and subsequent to the year-end terminated the option agreement. An amount of $106,600 was recognized as an impairment loss for the write-down of exploration and evaluation assets in the statements of loss and comprehensive loss for the year ended October 31, 2020.

Dorset Gold Project

On April 22, 2020 the Company entered into an options agreement to acquire 100% interest in Dorset Gold Project consisting of two mineral claims located in the Province of Newfoundland and Labrador, Canada. To earn the interest the Company must:

(a) pay a total of $1,250,000 cash as follows:
   i. $100,000 on the closing date (paid);
   ii. $50,000 on or before April 22, 2021;
   iii. $100,000 on or before April 22, 2022;
   iv. $400,000 on or before April 22, 2023; and
   v. $600,000 on or before April 22, 2024.

(b) incur exploration expenditures of no less than $1,500,000 as follows:
   i. $150,000 on or before April 22, 2022;
   ii. $200,000 on or before April 22, 2023;
   iii. $400,000 on or before April 22, 2024; and
   iv. $750,000 on or before April 22, 2025.

The property is subject to a 2% Net Smelter Returns Royalty ("NSR").

Copper Creek Project

On August 11, 2020 (amended on January 20, 2021) the Company entered into an options agreement to acquire 100% interest in Copper Creek Project, consisting of fifty-five claims located in the Province of Newfoundland and Labrador, Canada. To earn the interest the Company must:

(a) pay a total cash of $250,000 and issue 600,000 shares as follows:
   i. $25,000 (paid) and issue 50,000 shares (issued) on August 11, 2020;
   ii. $25,000 and issue 100,000 shares on or before August 11, 2021;
   iii. $40,000 and issue 100,000 shares on or before August 11, 2022;
   iv. $60,000 and issue 100,000 shares on or before August 11, 2023; and
   v. $100,000 and issue 250,000 shares on or before August 11, 2024.

4. EXPLORATION AND EVALUATION ASSETS (continued)

(b) incur exploration expenditures of no less than $1,650,000 as follows:

i. $15,000 on or before December 31, 2020;
ii. $135,000 on or before August 11, 2021;
iii. $350,000 on or before August 11, 2022;
iv. $500,000 on or before August 11, 2023; and
v. $650,000 on or before August 11, 2024.

Upon earning a 100% interest in the property, the Company shall grant the optionor a Net Smelter Returns Royalty ("NSR") of 2%.

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 October 31, 2020, 120,000 common shares of the Company were held in escrow.

(c) As at October 31, 2020 24,284,614 common shares were issued and outstanding.

Shares issued during the year ended October 31, 2020

On August 11, 2020 50,000 common shares were issued as a payment for the Copper Creek mineral property (Note 4).

On August 7, 2020 the Company closed a non-brokered private placement of 6,000,000 units at a price of $0.40 per unit for gross proceeds of $2,400,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share at a price of $0.50 per share for a period of 24 months. The shares were subject to a 4 month hold period that expired on December 8, 2020. The Company paid finders' fees in the amount of $48,020 and granted 120,500 finders' warrants exercisable at a price of $0.50 for a period of 24 months. Finder warrants were valued at $81,112.

During the year ended October 31, 2020 234,614 shares were issued on exercised of warrants for gross proceeds of $23,461.

Expressed in Canadian Dollars

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

Shares issued during the year ended October 31, 2019

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).

Warrants

During the year ended October 31, 2020 the Company issued 6,000,000 warrants with units in the private placement (Note 5). No value was allocated to these warrants under the residual method of accounting for units.

120,500 warrants exercisable at a price of $0.50 for a period of 24 months were issued to finders as share issuance costs. The fair value of the warrants of $81,112 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.85; exercise price – $0.50; expected life – two years; volatility – 155%; dividend yield – $nil; and risk-free rate – 0.26%.

During the year ended October 31, 2020 234,614 warrants were exercised at $0.10 per warrants. Fair value of the warrants of $12,150 was deducted from share-based payment reserve.

During the year ended October 31, 2019 the Company issued 200,000 warrants to an Agent 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 valued at $12,338. The warrants are exercisable at $0.10 for a period of two years. 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%.

A summary of changes in warrants during the year ended October 31, 2020:

	Number of warrants outstanding	Exercise price	
Balance, October 31, 2018	**-**		**-**
Granted	438,000	$	0.10
Balance, October 31, 2019	**438,000**	**$**	**0.10**
Granted	6,120,050	**$**	0.50
Exercised	(234,614)	$	0.10
Balance, October 31, 2020	**6,323,436**	**$**	**0.49**

Contractual life of the warrants outstanding as at October 31, 2020 is 1.73 years.

Expressed in Canadian Dollars

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

Stock options

During the year ended October 31, 2020 the Company granted 600,000 to directors and officers of the Company. The stock options are exercisable for a period of 5 years at a price of $0.80. The stock options vested immediately. The fair value of $443,285 of the stock options granted was calculated using Black-Scholes option pricing model with the following assumptions: stock price - $0.80; exercise price - $0.80; expected life – five years; volatility – 158%; dividend yield – $nil; and risk free rate - 0.35%. The weighted average remaining life of the stock options outstanding as at October 31, 2020 is 4.73 years.

There were no stock options outstanding as at October 31, 2019 and 2018.

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:

		2020		2019
Administration fees	$	60,000	$	20,000
Consulting fees		25,000		3,000
Share-based compensation		443,285		-
Total key management compensation	**$**	**528,285**	**$**	**23,000**

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

7. INCOME TAX NOTE

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

Expressed in Canadian Dollars

7. INCOME TAX NOTE (continued)

		Year ended October 31, 2020		Year ended October 31, 2019
Canadian statutory income tax rate		27%		27%
Income tax recovery at statutory rate	$	(279,800)	$	(46,100)
Permanent differences and other		84,500		(4,700)
Change in deferred tax assets not recognized		195,300		50,800
Deferred income tax recovery	$	-	$	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

		October 31, 2020		October 31, 2019
Non-capital loss carry forwards	$	192,200	$	52,100
Mineral properties		28,700		-
Share issuance costs		32,500		6,000
Deferred tax assets not recognized		(253,400)		(58,100)
	$	-	$	-

The Company has losses carried forward of approximately $711,000 (2019 - $193,000) available to reduce income taxes in future years which expire in 2040. In addition, the Company has accumulated Canadian Exploration Expenses and Canadian Development Expenses for income tax purposes of approximately $362,700. The expenditures pools can be carried forward indefinitely to be applied against income of future years.

8. 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.

8. CAPITAL MANAGEMENT (continued)

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 year ended October 31, 2020. The Company is not subject to externally imposed capital requirements.

9. COMMITMENTS

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

10. SUBSEQUENT EVENTS

a) Subsequent to year-end, the Company entered into a share exchange agreement with Hare Bay Resources Corp. ("Hare Bay") to acquire 100% of the issued and outstanding shares of Hare Bay. The exchange ratio will be completed on a one to one basis by which Hare Bay will receive one common share of the Company for every Hare Bay share. On December 19, 2020, the Company issued 4,750,001 common shares in connection with the share exchange agreement and 133,333 common shares in connection with the option agreement assigned by Hare Bay to the Company.

b) In December 2020 the Company terminated its Shotgun Property Option Agreement (note 4).

c) Subsequent to the year-end, the Company issued 7,000 common shares upon option exercise.

d) On February 1, 2021, the Company entered into an Option Agreement to acquire a a 100% interest in 13 mineral claims comprising approximately 325 Ha located in Newfoundland and Labrador. In order to exercise the Option, Leocor must make cash payments to the Optionor of $45,000 over three years. Upon exercise of the Option, the Optionor will retain a 2% NSR royalty, provided that Leocor will have the right to purchase from Optionor 50% of the 2% NSR royalty upon payment of the sum of $1,000,000 to Optionor at any time.