VOLATUS CAPITAL CORP.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JANUARY 31, 2020 AND THE PERIOD FROM INCORPORATION ON NOVEMBER 6, 2018 TO JANUARY 31, 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Volatus Capital Corp.

Opinion

We have audited the accompanying financial statements of Volatus Capital Corp. (the "Company"), which comprise the statements of financial position as at January 31, 2020, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company had a deficit of $385,401 as at January 31, 2020, which has been funded by the issuance of equity. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The financial statements of Volatus Capital Corp. for the year ended January 31, 2019 were audited Manning Elliott LLP who expressed an unmodified opinion on those statements on July 30, 2019.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 Stephen Hawkshaw.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

May 29, 2020

VOLATUS CAPITAL CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT JANUARY 31,

		2020		2019
ASSETS				
Current assets				
Cash	$	20,080	$	128,584
Amounts receivable		4,012		5,312
Loan receivable (Note 7)		102,334		-
Marketable securities (Note 5)		115,000		-
		241,426		133,896
Deferred financing costs (Note 6)		-		10,000
Exploration and evaluation asset (Note 4)		113,978		92,996
	$	355,404	$	236,892
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 7)	$	56,283	$	15,388
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		563,851		254,001
Reserves (Note 6)		120,671		30,000
Deficit		(385,401)		(62,497)
		299,121		221,504
	$	355,404	$	236,892

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

APPROVED ON BEHALF OF THE DIRECTORS:

"Michael Collins"	Director	*"Jason Cubitt"*	Director
Michael Collins		Jason Cubitt	

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

VOLATUS CAPITAL CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

		For the year ended January 31, 2020		For the period from incorporation on November 6, 2018 to January 31, 2019
Expenses				
Advertising	$	-	$	975
Management and consulting fees (Note 7)		101,332		8,400
Finance fees		30,686		-
Office and miscellaneous		3,020		2,134
Professional fees		101,806		17,808
Rent		29,101		3,180
Share-based payments (Notes 6 and 7)		66,171		30,000
Transfer agent and filling fees		27,030		-
Travel		10,272		-
	$	(369,418)	$	(62,497)
Interest on loans receivable (Note 7)		2,334		-
Unrealized gain on marketable securities (Note 5)		44,180		-
Loss and comprehensive loss for the period	$	(322,904)	$	(62,497)
Loss per share – basic and diluted	$	(0.08)	$	(0.03)
Weighted average number of shares Outstanding – basic and diluted		3,831,393		2,008,429

The accompanying notes form an integral part of these financial statements

VOLATUS CAPITAL CORP.
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Common Shares				
	Number of shares	**Share Capital**	**Reserves**	**Deficit**	**Total**
Incorporation, November 6, 2018	**1**	**$ 1**	**$ -**	**$ -**	**$ 1**
Shares issued to founders	666,666	10,000	-	-	10,000
Shares issued for cash	1,200,000	162,000	-	-	162,000
Shares issued for cash (flow-through)	1,366,667	82,000	-	-	82,000
Share-based payments	-	-	30,000	-	30,000
Loss for the period	-	-	-	(62,497)	(62,497)
Balance, January 31, 2019	**3,233,334**	**254,001**	**30,000**	**(62,497)**	**221,504**
Private placements	1,375,000	412,500	-	-	412,500
Share issuance costs – cash	-	(78,150)	-	-	(78,150)
Share issuance costs – shares	-	(10,000)	-	-	(10,000)
Share issuance costs – options	-	(24,500)	24,500	-	-
Shares issued for exploration and evaluation assets	33,333	10,000	-	-	10,000
Share-based payments	-	-	66,171	-	66,171
Loss for the year	-	-	-	(322,904)	(322,904)
Balance, January 31, 2020	**4,641,667**	**$ 563,851**	**$ 120,671**	**$ (385,401)**	**$ 299,121**

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

VOLATUS CAPITAL CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the year Ended January 31, 2020	For the period from incorporation on November 6, 2018 to January 31, 2019
Cash flows from operating activities		
Loss for the period	$ (322,904)	$ (62,497)
Changes in non-cash items:		
Interest on loan receivable	(2,334)	-
Unrealized gain on marketable securities	(44,180)	-
Share-based payments	66,171	30,000
Changes in non-cash working capital items:		
Amounts receivable	1,300	(5,312)
Accounts payable and accrued liabilities	40,895	15,388
Cash used in operating activities	(261,052)	(22,421)
Cash flows from investing activities		
Exploration and evaluation assets	(10,982)	(92,996)
Loan receivable	(100,000)	-
Marketable securities	(70,820)	-
Cash used in investing activities	(181,802)	(92,996)
Cash flows from financing activities		
Deferred financing costs	-	(10,000)
Proceeds from issuance of shares	402,500	254,001
Share issuance costs	(68,150)	-
Cash provided by financing activities	334,350	244,001
Change in cash	(108,504)	128,584
Cash, beginning of the period	128,584	-
Cash, end of the period	$ 20,080	$ 128,584
Non-cash financing and investing activities		
Agent warrants issued as share issuance costs	$ 24,500	$ -
Shares issued as share issuance costs	$ 10,000	$ -
Shares issued for exploration and evaluation assets	$ 10,000	$ -
Cash paid for tax/interest	$ -	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Volatus Capital Corp. ("the Company") was incorporated on November 6, 2018 under the laws of British Columbia, is a public company listed on the Canadian Securities Exchange (the "CSE") and trades under the symbol VC. The address of the Company's corporate office and its principal place of business is 1100-595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

Effective April 22, 2020, the Company consolidated its common shares on a 3:1 basis. These financial statements reflect the share consolidation for all shares, warrants, options and per share amounts retrospectively.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at January 31, 2020, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset 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 the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $385,401 as at January 31, 2020, which has been funded by the issuance of equity. 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 these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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") and Interpretations of the Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved by the Board of Directors on May 29, 2020.

Basis of presentation

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements of the Company are presented in Canadian dollars, which is the functional and reporting currency of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

<u>Significant accounting judgments</u>

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to the ability of the Company to continue as a going concern.

<u>Critical accounting estimates</u>

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

Share-based compensation

Share-based compensation is determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive loss over each award’s vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Income taxes

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements.

Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax assets and liabilities, and tax planning initiatives.

Non-cash transactions

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the noncash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments (continued)

Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to acquisition and exploration are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss at the same time the qualifying expenditures are made.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Decommissioning and restoration provision

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

The Company's estimates of reclamation 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 mining assets with a corresponding entry to the rehabilitation 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 the Company's estimates of reclamation costs, are charged to profit and loss for the period. As at January 31, 2020 and 2019, the Company has no decommissioning or restoration obligations.

Impairment of long-lived Assets

The Company evaluates the recoverability of its long-lived assets at each reporting period. An impairment loss is recognized when estimated future cash flows resulting from the use of an asset and its eventual disposition is less than its carrying amount.

A mining enterprise is required to consider the conditions for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political and other factors. In addition, management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, the capitalized costs are written down to the estimated recoverable amount.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years.

Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Financial Instruments

Financial assets are classified at initial recognition as either: measured at amortized cost, Fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other comprehensive income ("OCI").

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL. The following summarizes the classification under IFRS 9 for each financial instrument:

The Company has classified its cash and marketable securities at FVTPL. The Company's amounts receivable, loan receivable and accounts payable and accrued liabilities are classified at amortized cost.

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity.

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 more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

Loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(Expressed in Canadian dollars)

3. NEW ACCOUNTING STANDARDS ADOPTED EFFECTIVE FEBRUARY 1, 2019

IFRS 16 – Leases

IFRS 16 – replaces the current standards IAS 17, "Leases", and its associated interpretative guidance. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. A lessee can choose to apply IFRS 16 using either a full retrospective approach or a modified retrospective approach.

The adoption of IFRS 16 did not impact the Company's classification and measurement of leases as the Company does not have any lease obligations.

4. EXPLORATION AND EVALUATION ASSETS

	Acquisition Costs $	Exploration Costs $	Total $
Balance, incorporation November 6, 2018	-	-	-
Additions	5,000	87,996	92,996
Balance, January 31, 2019	5,000	87,996	92,996
Additions	15,000	5,982	20,982
Balance, January 31, 2020	20,000	93,978	113,978

	Sunset Copper Star Project	Total
Balance, incorporation November 6, 2018	$ -	$ -
Acquisition costs – cash	5,000	5,000
Labour	43,800	43,800
Assay	7,737	7,737
Reporting	6,276	6,276
Truck and equipment rentals	9,800	9,800
Travel and fuel	1,986	1,986
Meal and accommodation	12,640	12,640
Management fees	5,757	5,757
Balance, January 31, 2019	92,996	92,996
Acquisition costs – cash	5,000	5,000
Acquisition costs – shares	10,000	10,000
Labour	650	650
Reporting	4,875	4,875
Travel and fuel	412	412
Meal and accommodation	45	45
Balance, January 31, 2020	$ 113,978	$ 113,978

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Sunset Copper Star Project

Pursuant to an option agreement dated November 16, 2018 (the "Agreement"), with Rich River Exploration Ltd. and Craig A. Lynes (collectively, the "Optionors"), the Company was granted an option to acquire a 100% undivided interest in the Sunset Copper Star project (the "Property") located north of Campbell River area in the Nanaimo Mining Division, British Columbia.

In accordance with the Agreement, the Company has acquired a 51% undivided interest in the Property by paying $5,000. The Company has the option to earn the remaining 49% interest in the Property by issuing a total of 200,000 common shares of the Company to the Optionors, making cash payments totaling $155,000, and incurring a total of $500,000 in exploration expenditures as follows:

	Common Shares	Cash	Exploration Expenditures
	Number	$	$
Upon the closing of the initial public offering of the Company	33,333 (issued at a value of $10,000)	5,000 (paid)	-
On or before August 30, 2020	33,333	20,000	100,000
On or before August 30, 2021	33,334	30,000	100,000
On or before August 30, 2022	100,000	100,000	300,000
Total	200,000	155,000	500,000

The Property is comprised of two mineral claims.

The Optionors will retain a 3% Net Smelter Returns ("NSR") royalty on the Property. The Company has the right to purchase the first 1% of the royalty for $750,000 and the remaining 2% for $1,000,000 at any time prior to the commencement of commercial production.

Split Dome Copper Project

During the year ended January 31, 2020, the Company entered into a purchase and sale agreement with a Company owned by the Chief Executive Officer to acquire up to a 100% interest, subject to a 0.25% NSR royalty, in the Split Dome copper project located near Hazelton, British Columbia. In exchange for the 100% interest, subsequent to January 31, 2020, the Company issued 1,000,000 shares and 500,000 warrants with a term of 36 months and an exercise price of $0.30.

5. MARKETABLE SECURITIES

During the year ended January 31, 2020, the Company purchased 500,000 shares at a fair value of $70,820 of Scottie Resources Corp. and recorded an unrealized gain of $44,180 for the year ended January 31, 2020 resulting in a fair value as at January 31, 2020 of $115,000 (2018 - $Nil).

6. SHARE CAPITAL AND RESERVES

a) Authorized:

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

Effective April 22, 2020, the Company consolidated its common shares on a 3:1 basis. These financial statements reflect the share consolidation for all shares, warrants, options and per share amounts retrospectively.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six months from date of listing. At January 31, 2020, there were 630,000 common shares held in escrow. Under the applicable escrow agreement 70,000 shares were released during the year ended January 31, 2020.

c) Issued and Outstanding as at January 31, 2020: 4,641,667 common shares.

During the year ended January 31, 2020, the Company had the following share capital transactions:

(i) The Company entered into an agency agreement with Haywood Securities Inc. (the "Agent") whereby the Agent raised on commercially reasonable efforts $350,000 in an initial public offering ("IPO") by the issuance of 1,166,667 common shares of the Company at a price of $0.30 per common share.

The agency agreement granted the Agent an over-allotment option (the "Over-Allotment Option"), exercisable up to 48 hours prior to closing of the IPO, to purchase additional common shares of the Company equal to 15% of the common shares issued pursuant to the offering. The Over-Allotment Option was exercised by the Agent and the Company issued 175,000 additional common shares for a purchase price equal to the offering price which resulted in aggregate gross proceeds of $402,500.

The Company paid $78,150 (of which $10,000 was recorded as deferred financing costs as at January 31, 2019) and issued 33,333 common shares (valued at $10,000) as share issuance costs. The Company also issued 134,167 Agent's warrants (valued at $24,500) exercisable at $0.30 on or before August 29, 2021.

The Company completed the IPO during the year ended January 31, 2020.

(ii) The Company issued 33,333 common shares at a value of $10,000 pursuant to the acquisition of the Sunset Copper Star Project (Note 4).

During the period from incorporation on November 6, 2018 to January 31, 2019, the Company had the following share capital transactions:

(i) The Company issued an incorporation share for $0.01.

(Expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES (continued)

(ii) The Company issued 666,667 common shares at a price of $0.015 per share for $10,000. The fair value of the 666,667 common shares was estimated to be $40,000. Accordingly, the Company recorded share-based payments of $30,000 and a corresponding increase to reserves.

(iii) The Company issued 200,000 common shares at a price at $0.06 per share and 1,000,000 common shares at a price of $0.15 per share for total gross proceeds of $162,000.

(iv) The Company issued 1,366,667 flow-through common shares at a price of $0.06 per share for gross proceeds of $82,000, which the Company was committed to spend in Qualifying Canadian Exploration Expenditures ("CEE"). None of the Qualifying CEE will be available to the Company for future deduction from taxable income.

As at January 31, 2019, the Company has incurred and renounced $82,000 in CEE. For the purposes of the calculating the tax effect of any premium related to the issuance of the flow-through shares, the Company reviewed recent financings and compared it to determine if there was a premium paid on the shares. As a result of the review the Company did not recognize any premium on the flow-through shares issued.

d) Stock Options:

During the year ended January 31, 2020, the Company adopted a Stock Option Plan (the "Plan") for directors, officers, employees and consultants of the Company. Under the Plan, the Company may grant incentive stock options to directors, officers, employees and consultants to the Company, as determined by the Board of Directors of the Company at the fair market value on the date the option is granted. The maximum number of common shares which may be issuable under the Plan cannot exceed 10% of the total number of shares issued and outstanding on a non-diluted basis.

A summary of changes in options during the year is as follows:

	Number of options	Weighted average exercise price
Outstanding and exercisable November 6, 2018 and January 31, 2019	-	$ -
Granted	266,667	0.30
Outstanding and exercisable January 31, 2020	266,667	$ 0.30

(Expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES (continued)

d) Stock Options: (continued)

The following stock options were outstanding at January 31, 2020:

Expiry Date	**Exercise Price**	**Number of options**	**Number of options Exercisable**
May 1, 2024	$0.30	266,667	266,667

Share-based compensation

During the year ended January 31, 2020, the Company granted 266,667 stock options valued at $66,171 to certain directors and officers of the Company, exercisable at a price of $0.30 per option expiring May 1, 2024.

The weighted average fair value of each stock option granted during the year was $0.25, calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

		Year ended January 31, 2020	**November 6, 2018 to January 31, 2019**
Share price	$	0.30	-
Risk-free dividend rate		1.56%	-
Expected life of options		5	-
Dividend rate		0.00%	-
Annualized volatility		120%	-

e) Warrants:

A summary of changes in warrants during the year is as follows:

	Number of warrants		**Weighted average exercise price**
Outstanding and exercisable November 6, 2018 and January 31, 2019	-	$	-
Granted	134,167		0.30
Outstanding and exercisable January 31, 2020	134,167	$	0.30

(Expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES (continued)

e) Warrants: (continued)

The following warrants were outstanding at January 31, 2020:

Expiry Date	Exercise Price	Number of warrants	Number of warrants Exercisable
August 29, 2021	$0.30	134,167	134,167

The weighted average fair value of each Agent's warrant granted during the year was $0.18, calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

		Year ended January 31, 2020	November 6, 2018 to January 31, 2019
Share price	$	0.30	-
Risk-free dividend rate		1.40%	-
Expected life of warrants		2	-
Dividend rate		0.00%	-
Annualized volatility		120%	-

7. 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 and Chief Financial Officer. During the year ended January 31, 2020, the Company recognized $66,171 (period from incorporation on November 6, 2018 to January 31, 2019 - $30,000) in share-based payments to directors and officers.

	Nature of transactions		Year ended January 31, 2020		November 6, 2018 to January 31, 2019
Related parties:					
Chief Executive Officer	Management fees	$	17,000	$	-
Chief Financial Officer	Management fees	$	3,000	$	-
A Company owned by the Chief Executive Officer	Management fees	$	29,000	$	-

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

As at January 31, 2020, accounts payable and accrued liabilities includes $31,194 (2019 - $Nil) due to related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the year ended January 31, 2020, the Company entered into a loan agreement with a Company owned by the Chief Executive Officer to lend $100,000. The principal amount of the loan plus accrued interest of 12% per annum shall be payable on demand after November 20, 2020 and the borrower has pledged marketable securities in the value of $112,000 as collateral against repayment of the loan and accrued interest. During the year ended January 31, 2020, the Company accrued $2,334 of interest.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity. As at January 31, 2020, the Company's shareholders' equity was $299,121 (2019 – $221,504).

The Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended January 31, 2020.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, amounts receivable, loan receivable, marketable securities, and accounts payable and accrued liabilities.

An entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or 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).

Fair Value of Financial Instruments

The Company's financial assets include cash and marketable securities and are classified as Level 1. The carrying value of amounts receivable, loan receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods of maturity of these instruments.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities.

(ii) Interest rate risk

The Company has cash balances and loan receivable. The Company is satisfied with the credit ratings of its banks. The Company believe it has no significant interest rate risk.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) 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 risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

The Company is exposed to credit risk with respect to uncertainties as to timing and among of collectability of receivables. The Company believes its credit risk is low because the loan receivable is secured by collateral and amounts receivable is recoverable from the government body in Canada. Management does not believe the receivables are impaired.

(iv) Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets in Canada. The Company's exploration and evaluation assets at January 31, 2020 were $113,978 (January 31, 2019 - $92,996).

(Expressed in Canadian dollars)

11. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	January 31, 2020	January 31, 2019
Loss before taxes for the year	$ (322,904)	$ (62,497)
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax (recovery)	$ (87,000)	$ (16,773)
Change in statutory rates and other	774	(53)
Permanent differences	12,000	8,052
Share issue cost	(24,000)	-
Adjustment to prior years provision	14,000	-
Change in unrecognized deductible temporary differences	84,226	8,774
Total income taxes	$ -	$ -
Current income tax	$ -	$ -
Deferred tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets (liabilities) that have not been included on the statement of financial position are as follows:

	January 31, 2020	January 31, 2019
Exploration and evaluation assets	$ (24,000)	$ -
Share issue costs	19,000	-
Marketable securities	(6,000)	-
Non-capital losses available for future period	104,000	8,774
	93,000	8,774
Unrecognized deferred tax assets	(93,000)	(8,774)
Net deferred tax assets (liabilities)	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2020	Expiry Date Range	2019	Expiry Date Range
Temporary Differences				
Share issue costs	71,000	2041 to 2044	-	N/A
Non-capital losses available for future periods	255,000	2040	32,496	2039

12. SUBSEQUENT EVENTS

Subsequent to the year ended January 31, 2020, the Company:

i) closed the first tranche of a non-brokered private placement and issued 9,990,000 common shares at $0.075 per share for gross proceeds of $749,250.

ii) closed the second tranche of a non-brokered private placement and issued 4,533,500 common shares at $0.075 per share for gross proceeds of $340,013.

iii) advanced $300,000 to enter an option agreement to purchase a 100% undivided interest in exploration license #5730 in Southern Australia. If no sale transaction is completed by November 13, 2020, the seller will return $250,000 to the Company.

iv) entered into a loan agreement with a Company controlled by the Chief Executive Officer to lend $40,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company, such demand not to be made before July 31, 2020. The borrower has pledged 4,000,000 common shares of Origen Resources Inc. as collateral against repayment of the loan and accrued interest.

Subsequent to January 31, 2020, there was a global pandemic outbreak of 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 result in delays in the course of business, including potential delays to its business plans and activities, and 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. These uncertainties raise substantial doubt upon the Company's ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.