

VOLATUS CAPITAL CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

VOLATUS CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	April 30, 2020	January 31, 2020
ASSETS		
Current assets		
Cash	\$ 81,678	\$ 20,080
Amounts receivable	6,839	4,012
Loan receivable (Note 6)	105,293	102,334
Marketable securities (Note 4)	-	115,000
	193,810	241,426
Exploration and evaluation asset (Note 3)	383,978	113,978
	\$ 577,788	\$ 355,404
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 92,447	\$ 56,283
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	833,851	563,851
Reserves (Note 5)	120,671	120,671
Deficit	(469,181)	(385,401)
	485,341	299,121
	\$ 577,788	\$ 355,404

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

APPROVED ON BEHALF OF THE DIRECTORS:

<u>"Michael Collins"</u>	Director	<u>"Jason Cubitt"</u>	Director
Michael Collins		Jason Cubitt	

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

VOLATUS CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)
FOR THE THREE MONTHS ENDED APRIL 30,

	2020	2019
Expenses		
Management, director and consulting fees (Note 6)	\$ 53,500	\$ 9,000
Office and miscellaneous	713	1,118
Professional fees	7,242	9,700
Rent	6,750	7,769
Transfer agent and filing fees	5,060	-
Travel	4,854	-
	<u>(78,119)</u>	<u>(27,587)</u>
Interest on loans receivable (Note 6)	2,959	-
Realized gain on marketable securities (Note 4)	35,560	-
Unrealized loss on marketable securities (Note 4)	<u>(44,180)</u>	<u>-</u>
Loss and comprehensive loss for the period	\$ (83,780)	\$ (27,587)
	\$	\$
Loss per share – basic and diluted	(0.02)	(0.01)
Weighted average number of shares		
Outstanding – basic and diluted	5,586,111	3,233,334

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

VOLATUS CAPITAL CORP.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Common Shares				
	Number of shares	Share Capital	Reserves	Deficit	Total
Balance, January 31, 2019	3,233,334	\$ 254,001	\$ 30,000	\$ (62,497)	\$ 221,504
Loss for the period	-	-	-	(27,587)	(27,587)
Balance, April 30, 2019	3,233,334	254,001	30,000	(90,084)	193,917
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 period	-	-	-	(295,317)	(295,317)
Balance, January 31, 2020	4,641,667	563,851	120,671	(385,401)	299,121
Shares issued for exploration and evaluation assets	1,000,000	270,000	-	-	270,000
Loss for the period	-	-	-	(83,780)	(83,780)
Balance, April 30, 2020	5,641,667	\$ 833,851	\$ 120,671	\$ (469,181)	\$ 485,341

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

VOLATUS CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE THREE MONTHS ENDED APRIL 30,

	2020	2019
Cash flows from operating activities		
Loss for the period	\$ (83,780)	\$ (27,587)
Changes in non-cash items:		
Interest on loan receivable	(2,959)	-
Realized gain on marketable securities	(35,560)	-
Unrealized loss on marketable securities	44,180	-
Changes in non-cash working capital items:		
Amounts receivable	(2,827)	3,212
Accounts payable and accrued liabilities	36,164	7,151
Cash used in operating activities	(44,782)	(17,224)
Cash flows from investing activities		
Marketable securities	106,380	-
Exploration and evaluation asset	-	(5,982)
Cash provided by (used in) investing activities	106,380	(5,982)
Change in cash	61,598	(23,206)
Cash, beginning of the period	20,080	128,584
Cash, end of the period	\$ 81,678	\$ 105,378
Non-cash financing and investing activities		
Shares issued for exploration and evaluation assets	\$ 270,000	\$ -
Cash paid for tax/interest	\$ -	\$ -

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

VOLATUS CAPITAL CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2020
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

1. NATURE AND CONTINUANCE OF OPERATIONS

Volatus Capital Corp. (“the Company”) which 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 condensed interim 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 April 30, 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 \$469,181 as at April 30, 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 condensed interim 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.

During the period ended April 30, 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

These condensed interim financial statements were approved by the Board of Directors on June 15, 2020.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation

These condensed interim 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 condensed interim 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 condensed interim financial statements.

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

Use of estimates and judgments

The preparation of these condensed interim 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.

Significant accounting judgments

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.

Critical accounting estimates

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments (continued)

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.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 April 30, 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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:

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

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.

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 is anti-dilutive due to the losses incurred.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Leases

IFRS 16, Leases, specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company does not have any lease obligations.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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3. EXPLORATION AND EVALUATION ASSETS

Period Ended April 30, 2020	Split Dome Copper Project	Sunset Copper Star Project	Total
Acquisition Costs:			
Balance, beginning of period	\$ -	\$ 20,000	\$ 20,000
Acquisition costs – shares	270,000	-	270,000
Balance, end of period	270,000	20,000	290,000
Exploration Costs:			
Balance, beginning of period	-	93,978	93,978
Balance, end of period	-	93,978	93,978
Total	\$ 270,000	\$ 113,978	\$ 383,978

Year Ended January 31, 2020	Sunset Copper Star Project	Total
Acquisition Costs:		
Balance, beginning of year	\$ 5,000	\$ 5,000
Acquisition costs – cash	5,000	5,000
Acquisition costs – shares	10,000	10,000
Balance, end of year	20,000	20,000
Exploration Costs:		
Balance, beginning of year	87,996	\$ 87,996
Labour	650	650
Reporting	4,875	4,875
Travel and fuel	412	412
Meal and accommodation	45	45
Balance, end of year	93,978	93,978
Total	\$ 113,978	\$ 113,978

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 totalling \$155,000, and incurring a total of \$500,000 in exploration expenditures as follows:

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3. EXPLORATION AND EVALUATION ASSETS (continued)

Sunset Copper Star Project (continued)

	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, during the period ended April 30, 2020, the Company issued 1,000,000 shares with a value of \$270,000 and 500,000 warrants with a term of 36 months and an exercise price of \$0.30.

4. MARKETABLE SECURITIES

During the year ended January 31, 2020, the Company purchased 500,000 shares of Scottie Resources Corp. at a fair value of \$70,820 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.

During the period ended April 30, 2020, the Company sold 500,000 shares of Scottie Resources Corp. for \$106,380 and recorded a realized gain of \$35,560.

5. SHARE CAPITAL AND RESERVES

a) Authorized:

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

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 the date of listing. At April 30, 2020, there were 525,000 common shares held in escrow.

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5. SHARE CAPITAL AND RESERVES (continued)

- c) Issued and Outstanding as at April 30, 2020: 5,641,667 common shares.

During the period ended April 30, 2020, the Company issued 1,000,000 common shares at a value of \$270,000 pursuant to the acquisition of Split Dome Copper Project (Note 3).

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 3).

- 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 period ended April 30, 2020 and year ended January 31, 2020 is as follows:

	Number of options	Weighted average exercise price
Outstanding and exercisable January 31, 2019	-	\$ -
Granted	266,667	0.30
Outstanding and exercisable January 31, 2020 and April 30, 2020	266,667	\$ 0.30

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FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2020
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

5. SHARE CAPITAL AND RESERVES (continued)

d) Stock Options: (continued)

The following stock options were outstanding at April 30, 2020:

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

The following weighted average assumptions were used for the Black-Scholes valuation of stock options:

	Period ended April 30, 2020	Year ended January 31, 2020
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 January 31, 2019	-	\$ -
Granted	134,167	0.30
Outstanding and exercisable January 31, 2020	134,167	0.30
Granted	500,000	0.30
Outstanding and exercisable April 30, 2020	634,167	\$ 0.30

The following warrants were outstanding at April 30, 2020:

Expiry Date	Exercise Price	Number of warrants	Number of warrants Exercisable
August 29, 2021	\$0.30	134,167	134,167
February 5, 2023	\$0.30	500,000	500,000

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5. SHARE CAPITAL AND RESERVES (continued)

e) Warrants: (continued)

The following weighted average assumptions were used for the Black-Scholes valuation of Agent's warrants:

	Period ended April 30, 2020	Year ended January 31, 2020
Share price	\$ -	\$ 0.30
Risk-free dividend rate	-	1.40%
Expected life of warrants	-	2
Dividend rate	-	0.00%
Annualized volatility	-	120%

6. 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. The remuneration of directors and other members of key management personnel during the periods ended April 30, 2020 and 2019 were as follows:

	Nature of transactions	2020	2019
Related parties:			
Chief Executive Officer	Management fees	\$ 16,000	\$ -
Chief Financial Officer	Management fees	\$ 3,000	\$ -
Director	Director fees	\$ 3,750	\$ -
A Company owned by the Chief Executive Officer	Management fees	\$ 21,750	\$ -

As at April 30, 2020, accounts payable and accrued liabilities include \$71,494 (January 31, 2020 - \$31,194) 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. During the period ended April 30, 2020, the Company accrued \$2,959 of interest.

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7. 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 April 30, 2020, the Company's shareholders' equity was \$485,341 (January 31, 2020 – \$299,121).

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 period ended April 30, 2020.

8. 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.

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.

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8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(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 believes 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.

9. 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 April 30, 2020 were \$383,978 (January 31, 2020 - \$113,978).

10. SUBSEQUENT EVENTS

Subsequent to the period ended April 30, 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) closed the final tranche of a non-brokered private placement and issued 2,220,000 common shares at \$0.075 per share for gross proceeds of \$166,500.
- iv) advanced \$300,000 to enter into 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.

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10. SUBSEQUENT EVENTS (continued)

- v) 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.
- vi) entered into a purchase and sale agreement to acquire a 100% interest, subject to a 1% NSR royalty of which the Company may purchase 0.5% for \$500,000 at any time, in the Compass project for consideration of 3,200,000 common shares (issued subsequently) of the Company.
- vii) closed a non-brokered private placement and issued 500,000 common shares at \$0.15 per share for gross proceeds of \$75,000.
- viii) entered into a purchase and sale agreement with a Company controlled by the Chief Executive Officer to acquire a 100% interest, subject to a 1.5% NSR royalty, in the Peak and Lions Den gold properties located in the Kemess-Toodoggone porphyry gold-copper epithermal gold district in northwestern British Columbia.

In exchange for the 100%, the Company is required to issue 3,800,000 common shares (issued subsequently) of the Company, make a cash payment of \$65,000 (paid subsequently) and incur exploration expenditure commitments of \$100,000.
- ix) entered into a loan agreement with a Company owned by the Chief Executive Officer to lend \$150,000. 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 October 5, 2020.
- x) closed the first tranche of a non-brokered private placement warrant offering to issue 500,000 transferrable common share purchase warrants priced at \$0.025 per warrant for gross proceeds of \$12,500. Each warrant is exercisable into one common share at a price of \$0.14 for a period of one year.