MANNING VENTURES INC.

FINANCIAL STATEMENTS

FOR THE YEAR AND PERIOD ENDED NOVEMBER 30, 2019 AND 2018

Expressed in Canadian Dollars

manning elliott

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Manning Ventures Inc.

Opinion

We have audited the financial statements of Manning Ventures Inc. (the "Company") which comprise the statements of financial position as at November 30, 2019 and 2018, and the statements of comprehensive loss, statements of changes in equity and cash flows for the year ended November 30, 2019 and the period from incorporation on July 26, 2018 to November 30, 2018, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2019 and 2018, and its financial performance and its cash flows for the year and period then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which indicates that the Company has not generated revenue or cash flow from operations as at November 30, 2019 and relies on external sources of financing for its operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 Information

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

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 audits resulting in this independent auditors' report is Joseph Bonvillain.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
February 18, 2020

MANNING VENTURES INC.
STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

		November 30, 2019		November 30, 2018
ASSETS				
Current				
Cash	$	547,041	$	342,855
Prepaid expenses		2,016		10,000
Accounts receivable		3,033		1,007
		552,090		353,862
Exploration and evaluation assets (Note 4)		107,739		1
	$	**659,829**	**$**	**353,863**
LIABILITIES AND EQUITY				
Current				
Accounts payable and accrued liabilities	$	54,814	$	15,044
Equity				
Share capital (Note 5)		787,110		397,200
Share subscriptions receivable (Note 5)		-		(34,000)
Contributed surplus (Note 5)		22,097		-
Deficit		(204,192)		(24,381)
		605,015		338,819
	$	**659,829**	**$**	**353,863**

Nature and continuance of operations (Note 1)
Commitments (Note 8)
Subsequent events (Note 10)

Approved and authorized for issue on behalf of the Board on February 18, 2020

*Alexander Klenman*______
Directors

*Christopher Cooper*______
Director

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

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

	Year ended November 30, 2019	Period from July 26, 2018 to November 30, 2018
EXPENSES		
Consulting	$ 1,500	$ 12,500
Filing fee	1,283	-
Investor relations	3,053	-
Listing fee	132,875	-
Office and administration (Note 6)	5,593	20
Professional fees	35,507	11,861
Loss and comprehensive loss	$ 179,811	$ 24,381
Basic and diluted loss per share	$ 0.01	$ 0.00
Weighted average number of shares outstanding	14,407,123	6,834,646

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

MANNING VENTURES INC.
STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian Dollars

	Number of shares	Share capital	Subscriptions receivable	Deficit	Total equity
Balance, July 26, 2018	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Shares issued for cash, net of issuance costs	14,000,000	397,200	(34,000)	**-**	363,200
Loss for the period	-	-	-	(24,381)	(24,381)
Balance, November 30, 2018	**14,000,000**	**$ 397,200**	**$ (34,000)**	**$ (24,381)**	**$ 338,819**

	Number of shares	Share capital	Subscriptions receivable	Contributed Surplus	Deficit	Total equity
Balance, November 30, 2018	**14,000,000**	**$ 397,200**	**$ (34,000)**	**$ -**	**$ (24,381)**	**$ 338,819**
Subscriptions collected	**-**	**-**	34,000	**-**	**-**	34,000
Shares issued for cash, net of issuance costs	3,400,000	329,910	**-**	**10,090**	**-**	340,000
Shares issued for mineral property	600,000	60,000	**-**	**-**	**-**	60,000
Agent's warrants issued	**-**	**-**	**-**	12,007	**-**	12,007
Loss for the year	**-**	**-**	**-**	**-**	(179,811)	(179,811)
Balance, November 30, 2019	**18,000,000**	**$ 787,110**	**$ -**	**$ 22,097**	**$ (204,192)**	**$ 605,015**

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

MANNING VENTURES INC.
STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars

	Year ended November 30, 2019	From July 26, 2018 to November 30, 2018
OPERATING ACTIVITIES		
Loss	$ (179,811)	$ (24,381)
Non-cash items		
Warrants issued for listing fee	12,007	-
Changes in working capital items:		
Accounts receivable	(2,027)	(1,007)
Accounts payable	39,770	15,044
Prepaid expenses	7,984	(10,000)
	(122,076)	(20,344)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(47,738)	(1)
FINANCING ACTIVITIES		
Shares issued for cash	340,000	363,200
Share subscriptions collected	34,000	-
	374,000	363,200
Change in cash	204,186	342,855
Cash, beginning	342,855	-
Cash, end	$ 547,041	$ 342,855

SUPPLEMENTAL CASH DISCLOSURES		
Interest paid	$ -	$ -
Shares issued for mineral properties	$ 60,000	$ -
Income taxes paid	$ -	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Manning Ventures Inc. (the "Company") incorporated under the Business Corporations Act of British Columbia on July 26, 2018. The address of the Company's corporate office and its principal place of business is 10th Floor, 595 Howe Street, Vancouver BC.

During the year ended November 30, 2019 the Company completed the Initial Public Offering ("IPO") and its shares were listed and commenced trading on the Canadian Securities Exchange on October 23, 2019 under the symbol "MANN".

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. At November 30, 2019, the Company has not generated revenue or cash flow from operations to adequately fund its activities and has therefore relies principally upon the support of creditors, related parties and issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The Company has no source of operating revenue and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors, which include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS") as issued by the International Accounting Standards Board (“IASB”).

These financial statements were approved by the Board of Directors of the Company on February 18, 2020.

(b) Basis of presentation

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

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

(c) Significant accounting estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to:

<u>Economic recoverability and probability of future economic benefits of exploration and evaluation assets</u>
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, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Decommissioning restoration provision

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

Income taxes

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

Significant judgments made in preparation of the financial statements are as follows:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company has disclosed a material uncertainty regarding going concern in Note 1 which requires the use of management's judgment on the ability of the Company to continue its operations and to develop or acquire a self-sustaining business or assets.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and environmental obligations

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

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

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

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

Impairment of assets

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

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

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

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

Share-based compensation

The Company grants share purchase 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.

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of the stock options is determined using the Black-Scholes option pricing model. The fair value of stock options is recognized to expense over the vesting period. Consideration paid for the shares on the exercise of share purchase options is credited to share capital.

Share issue costs

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

The value of compensatory warrants granted to agents in a private placement is determined using the Black-Scholes option pricing model. The fair value of these compensatory warrants is recognized as share issuance costs, with the offsetting credit to reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic and diluted loss per share

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

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Impairment
An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment (continued)
asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities
Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Accounts payable are classified under amortized cost and carried on the statement of financial position at amortized cost.

As at November 30, 2019, the Company does not have any derivative financial liabilities.

Income taxes

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign exchange

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

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

Valuation of equity units issued in private placements

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

Effective for annual periods beginning on or after January 1, 2019

IFRS 16 Leases
IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The Company does not expect the adoption of this standard to have significant impact to the financial statements as it does not currently have any leases in place.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after December 1, 2018, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list above.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

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

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair values (continued)

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of the accounts payable and accrued liabilities approximate their fair values due to the expected maturity of these financial instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

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

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

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

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(b) Liquidity risk (continued)

Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

(c) Market risk

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

i. <u>Interest rate risk</u>
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Some of the Company's accounts payable are subject to interest on unpaid balances. Additionally, the Company holds cash balances in an interest-bearing bank account.

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

iii. <u>Foreign Currency Risk</u>
The functional currency of Manning is the Canadian dollar. As of, November 30, 2019 had no financial assets and liabilities that were subject to currency translation risk.

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS

The Company incurred the following exploration and evaluation costs related to the Squid property.

Balance, July 26, 2018	**$**	**-**
Acquisition costs		
Cash		1
Balance, November 30, 2018	**$**	**1**
Acquisition costs in 2019		
Cash paid	$	35,000
Shares issued		60,000
Total acquisition costs for the year	$	95,000
Exploration costs		
Travel		2,137
Geological		10,601
Total deferred exploration costs for the year	$	12,738
Total expenditures for the year	$	107,738
Balance, November 30, 2019	**$**	**107,739**

On September 26, 2018 the Company signed an Option Agreement to purchase 75% interest in Squid East Mineral Property (Squid) located in the Dawson Mining District, Yukon, Canada. The agreement was amended in November 2019. Under the terms of the amended agreement, the Company must:

(a) issue a total of 1,200,000 common shares and pay $65,000 in cash as follows:
   i. issue 600,000 shares (issued) and pay $35,000 (paid) on or before the date the Company becomes a listed issuer; and
   ii. issue 600,000 shares and pay $30,000 on or before December 31, 2020.

(b) Spend a total of $1,150,000 on exploration as follows:
   i. $50,000 by December 31, 2020;
   ii. $100,000 between January 1, 2021 and December 31, 2021;
   iii. $300,000 between January 1, 2022 and December 31, 2022; and
   iv. $700,000 between January 1, 2023 and December 31, 2023.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Upon earning a 75% interest in the property, the Company shall pay the optionor a net smelter returns Royalty ("NSR") of 3%, provided the Company may purchase 1/3 of the NSR for total consideration of $1,000,000 subject to certain conditions.

Beginning on May 31, 2021 and annually thereafter, the Company will make Annual Advance Minimum Royalty payment of $100,000 to optionor (AAMR). The AAMR and NSR payments will be adjusted annually according to the consumer price index with a base of May 31, 2021. The Company may deduct from NSR payments, if any, the aggregate total of all AMMR payments made in accordance with the Option Agreement.

5. SHARE CAPITAL

(a) Authorized:
The Company is authorized to issue an unlimited number of common shares without par value.

(b) Escrow Shares:
As at November 30, 2019, 180,000 shares are held in escrow.

(c) As at November 30, 2019 the Company has 18,000,000 common shares issued and outstanding.

During the year ended November 30, 2019, the Company issued:

i. 600,000 common shares at a fair value of $0.10 per share for Squid mineral property; and
ii. 3,400,000 common shares at a price of $0.10 for gross proceeds of $340,000. The Company issued 238,000 warrants to the finder. Each warrant entitles the holder to acquire an additional common share for $0.10 per share for a two-year period. The fair value of the warrants of $10,090 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.10; exercise price – $0.10; expected life – two years; volatility – 94%; dividend yield – $nil; and risk-free rate – 1.61%.

During the period ended November 30, 2018, the Company issued:
iii. 10,000,000 common shares at a price of $0.02 for total proceeds of $200,000; and
iv. 4,000,000 common shares at a price of $0.05 for total proceeds of $200,000.

Expressed in Canadian Dollars

5. SHARE CAPITAL (continued)

(d) Share purchase warrants

On October 24, 2019 the Company granted 200,000 Agent warrants (Note 1) The Company issued 238,000 warrants to the finder in the private placement (Note 5(c)). Each warrant entitles the holder to acquire an additional common share for $0.10 per share for a two-year period. The fair value of the warrants of $22,097 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.10; exercise price – $0.10; expected life – two years; volatility – 94%; dividend yield – $nil; and risk-free rate – 1.61%.

As at November 30, 2019, the Company had warrants outstanding to acquire common shares of the Company as follows:

Expiry date		Exercise price	Number of warrants outstanding	Weighted average remaining contractual life (in years)
October 24, 2021	$	0.10	438,000	1.9

6. KEY MANAGEMENT COMPENSATION AND RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	November 30, 2019		November 30, 2018	
Administration fees	$	5,000	$	-
Total key management compensation	$	5,000	$	-

There were no accounts payable to related parties as at November 30, 2019 (November 30, 2018 - $nil).

7. CAPITAL MANAGEMENT

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

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

There were no changes in the Company's approach to capital management during the year ended November 30, 2019. The Company is not subject to externally imposed capital requirements.

8. COMMITMENTS

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

9. INCOME TAXES

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

Expressed in Canadian Dollars

9. INCOME TAXES (continued)

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

		Year ended November 30, 2019		Period ended November 30, 2018
Canadian statutory income tax rate		27%		27%
Income tax recovery at statutory rate	$	48,549	$	6,740
Permanent differences and other		(3,714)		600
Change in deferred tax assets not recognized		(44,835)		(7,340)
Deferred income tax recovery	$	-	$	-

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

		November 30, 2019		November 30, 2018
Non-capital loss carry forwards	$	51,721	$	6,740
Share issuance costs		454		600
Deferred tax assets not recognized		(52,175)		(7,340)
	$	-	$	-

The Company has losses carried forward of approximately $189,559 (2018 - $21,195) available to reduce income taxes in future years which expire in 2039. In addition, the Company has accumulated Canadian Exploration Expenses and Canadian Development Expenses for income tax purposes of approximately $107,738. The expenditures pools can be carried forward indefinitely to be applied against income of future years.

10. SUBSEQUENT EVENTS

Subsequent to the year ended November 30, 2019 the Company issued 85,000 common shares and agreed to make cash payment of $2,500 to settle debt of $9,241.