

**MANNING VENTURES INC.**

**FINANCIAL STATEMENTS**

**FOR THE SIX AND THREE MONTHS ENDED MAY 31, 2020**

Unaudited

Expressed in Canadian Dollars

## **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 interim financial statements have not been reviewed by an auditor.

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

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

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

	May 31, 2020	November 30, 2019
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 464,782	\$ 547,041
Prepaid expenses	2,474	2,016
Accounts receivable	604	3,033
	467,860	552,090
Exploration and evaluation assets (Note 4)	107,739	107,739
	<b>\$ 575,599</b>	<b>\$ 659,829</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 12,171	\$ 54,814
<b>Equity</b>		
Share capital (Note 5)	792,635	787,110
Contributed surplus (Note 5)	22,097	22,097
Deficit	(251,304)	(204,192)
	563,428	605,015
	<b>\$ 575,599</b>	<b>\$ 659,829</b>

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 July 20, 2020

Alexander Klenman

Directors

Christopher Cooper

Director

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

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

	Three months ended		Six months ended	
	May 31		May 31,	
	2020	2019	2020	2019
<b>EXPENSES</b>				
Filing	\$ 2,980	\$ -	\$ 5,760	\$ -
Investor relations	550	-	1,000	-
Office and administration (note 6)	15,015	16	30,100	39
Professional fees	2,749	17,380	616	38,089
Transfer agent	579	-	10,852	-
<b>TOTAL EXPENSES</b>	<b>\$ 21,873</b>	<b>\$ 17,396</b>	<b>\$ 48,328</b>	<b>\$ 38,144</b>
<b>OTHER INCOME</b>				
Gain on debt settlement	(1,216)	-	(1,216)	-
Loss and comprehensive loss	\$ 20,657	\$ 17,396	\$ 47,112	\$ 38,144
Basic and diluted loss per share	\$ 0.001	\$ 0.001	\$ 0.003	\$ 0.003
Weighted average number of shares outstanding	18,085,000	14,000,000	18,058,060	14,000,000

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

	Number of shares	Share capital	Subscriptions receivable	Deficit	Total equity
<b>Balance, November 30, 2018</b>	<b>14,000,000</b>	<b>\$ 397,200</b>	<b>\$ (34,000)</b>	<b>\$ (24,381)</b>	<b>\$ 338,819</b>
Subscriptions collected	-	-	34,000	-	34,000
Loss for the period	-	-	-	(38,144)	(38,144)
<b>Balance, May 31, 2019</b>	<b>14,000,000</b>	<b>\$ 397,200</b>	<b>\$ -</b>	<b>\$ (62,525)</b>	<b>\$ 334,675</b>

	Number of shares	Share capital	Contributed Surplus	Deficit	Total equity
<b>Balance, November 30, 2019</b>	<b>18,000,000</b>	<b>\$ 787,110</b>	<b>\$ 22,097</b>	<b>\$ (204,192)</b>	<b>\$ 605,015</b>
Shares issued for debt	85,000	5,525	-	-	5,525
Loss for the period	-	-	-	(47,112)	(47,112)
<b>Balance, May 31, 2020</b>	<b>18,085,000</b>	<b>\$ 792,635</b>	<b>\$ 22,097</b>	<b>\$ (251,304)</b>	<b>\$ 563,428</b>

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

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

	<b>Six months ended May 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Loss	\$ (47,112)	\$ (38,144)
Gain on debt settlement	(1,216)	-
Changes in working capital items:		
Accounts receivable	2,429	837
Accounts payable	(35,902)	9,029
Prepaid expenses	(458)	-
	\$ (82,259)	\$ (28,278)
<b>INVESTING ACTIVITIES</b>		
Mineral property expenditures	\$ -	\$ (3,937)
	\$ -	\$ (3,937)
<b>FINANCING ACTIVITIES</b>		
Share subscriptions collected	\$ -	\$ 34,000
	\$ -	\$ 34,000
<b>Change in cash</b>	<b>\$ (82,259)</b>	<b>\$ 1,785</b>
Cash, beginning	547,041	342,855
Cash, end	\$ 464,782	\$ 344,640

**SUPPLEMENTAL CASH DISCLOSURES**

Interest paid	\$ -	\$ -
Shares issued for debt	\$ 5,525	\$ -
Income taxes paid	\$ -	\$ -

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**MANNING VENTURES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the six and three months ended May 31, 2020**  
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**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 10<sup>th</sup> 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 May 31, 2020, 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.

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**1. NATURE AND CONTINUANCE OF OPERATIONS (continued)**

Manning is reviewing potential projects to make another acquisition and expand its exploration base. The recent COVID-19 pandemic has caused significant and negative impact on the global financial market and attracting new investors to finance acquisition of mineral projects and exploration activities may prove difficult. The Company's exploration operations in Canada are budgeted to coincide with quarantine restrictions and will be resumed as soon as it is practical.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Statement of Compliance

The interim financial statements for the three and six months ended May 31, 2020 were prepared in accordance with the International Financial Reporting Standards ("IFRS") in effect at May 31, 2020, issued by the International Accounting Standard Board ("IASB"). Significant accounting policies are described in the Note 2 of the audited financial statements for the period ended November 30, 2019. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented below.

These financial statements were approved by the Board of Directors of the Company on July 20, 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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:

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

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and 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.

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 result 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**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;

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.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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**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.

(a) 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 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.

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

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

(b) Market risk

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

i. Interest rate risk

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. Commodity price risk

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

iii. Foreign Currency Risk

The functional currency of Manning is the Canadian dollar. As of, May 31, 2020 had no financial assets and liabilities that were subject to currency translation risk.

**4. EXPLORATION AND EVALUATION ASSETS**

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

<b>Balance, November 30, 2018</b>	<b>\$ 1</b>
Acquisition costs	\$ 1
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
<b>Balance, November 30, 2019</b>	<b>\$ 107,739</b>
<b>Balance, May 31, 2020</b>	<b>\$ 107,739</b>

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

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;
  - 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.

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 May 31, 2020, 150,000 shares are held in escrow.
  
- (c) As at May 31, 2020 the Company has 18,085,000 common shares issued and outstanding.

During the six months ended May 31, 2020 the company issued:

- i. 85,000 common shares to settle debt of \$5,525;

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**5. SHARE CAPITAL (continued)**

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

- ii. 600,000 common shares at a fair value of \$0.10 per share for Squid mineral property;
- iii. 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:

- iv. 10,000,000 common shares at a price of \$0.02 for total proceeds of \$200,000;
- v. 4,000,000 common shares at a price of \$0.05 for total proceeds of \$200,000.

(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 May 31, 2019, the Company had warrants outstanding to acquire common shares of the Company as follows:

<u>Expiry date</u>	<u>Exercise price</u>	<u>Number of warrants outstanding</u>	<u>Weighted average remaining contractual life (in years)</u>
October 24, 2021	\$ 0.10	438,000	1.40

**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.

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**6. KEY MANAGEMENT COMPENSATION AND RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

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

	<b>May 31, 2020</b>	<b>May 31, 2019</b>
Administration fees	\$ 30,000	\$ -

There were no accounts payable to related parties as at May 31, 2020 (November 30, 2019 - \$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 period ended May 31, 2020. The Company is not subject to externally imposed capital requirements.

**8. COMMITMENTS**

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