LIDA RESOURCES INC.

Interim Condensed Consolidated Financial Statements

For the Six Months Ended February 29, 2020

(Unaudited – Expressed in Canadian dollars)

LIDA RESOURCES INC.
Interim Condensed Consolidated Statements of Financial Position
(Unaudited – Expressed in Canadian dollars)

As at		**February 29, 2020**		**August 31, 2019**
ASSETS				
CURRENT ASSETS				
Cash	$	569	$	1,511
Accounts receivable		6,957		1,388
Prepaid expenses		3,770		7,630
Deferred financing cost		104,710		77,210
		116,006		87,739
Mineral interests (note 3)		829,855		828,079
TOTAL ASSETS	$	945,861	$	915,818
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$	464,064	$	302,550
Due to related parties (note 6)		47,733		11,400
TOTAL LIABILITIES		511,797		313,950
EQUITY				
Share capital (note 4)		2,303,384		2,303,384
Accumulated other comprehensive income		2,384		2,150
Deficit		(1,871,704)		(1,703,666)
TOTAL EQUITY		434,064		601,868
TOTAL LIABILITIES AND EQUITY	$	945,861	$	915,818

Approved and authorized for issue by the Board of Directors on May 12, 2020

/s/ "Leonard De Melt"   */s/ ""*

Leonard De Melt, CEO & Director   , Director

The accompanying notes are integral part of these condensed consolidated interim financial statements

LIDA RESOURCES INC.

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	For the three months ended February 29, 2020	For the three months ended February 28, 2019	For the six months ended February 29, 2020	For the six months ended February 28, 2019
EXPENSES				
Bank charges	$ 123	$ 432	$ 604	$ 894
Consulting (note 6)	7,525	11,550	7,525	25,260
Exploration and evaluation costs (note 3)	18,256	35,299	43,485	79,226
Transfer agent, regulatory and listing fees	355	-	355	-
General and administrative	6,178	4,714	8,452	8,924
Professional fees (note 6)	12,870	33,678	107,551	65,692
Travel	71	1,268	71	1,268
Loss before other expenses	(45,378)	(86,941)	(168,043)	(181,264)
Other income				
Foreign exchange gain	5	2,260	5	2,170
Gain on sale of subsidiary (note 3)	-	1,349,242	-	1,349,242
Total other income	5	1,351,502	5	1,351,412
Net income (loss) for the period	$ (45,373)	$ 1,264,561	$ (168,038)	1,170,148
Other comprehensive income				
Items that will be recycled to profit or loss:				
Foreign exchange gain on translation adjustment	2,446	2,206	234	2,253
Other comprehensive income (loss) for the period	$ (42,927)	$ 1,266,767	$ (167,804)	$ 1,172,401
Basic and diluted income (loss) per share	$ (0.00)	$ 0.04	$ (0.00)	$ 0.04
Weighted average number of common shares outstanding – basic and diluted	34,877,596	33,433,231	34,877,596	32,935,739

The accompanying notes are integral part of these condensed consolidated interim financial statements

LIDA RESOURCES INC.
Interim Condensed Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Share capital		Accumulated other comprehensive income (loss)	Deficit	Total
	Number of shares	Amount			
Balance, August 31, 2018	31,561,334	$ 2,117,107	$ (4,815)	$ (223,846)	$ 1,888,446
Issuance of shares on private placement, net of share issue cost	2,019,119	104,005	-	-	104,005
Distribution of Fidelity Minerals Corp. shares and warrants	-	-	-	(2,404,625)	(2,404,625)
Unrealized foreign exchange gain on disposal of subsidiary	-	-	(169)	169	-
Currency translation adjustment	-	-	2,253	-	2,253
Net income for the period	-	-	-	1,170,148	1,170,148
Balance, February 28, 2019	33,580,453	2,221,112	(2,731)	(1,458,154)	760,227
Issuance of shares on private placement, net of share issue cost	1,297,143	82,272	-	-	82,272
Currency translation adjustment	-	-	4,881	-	4,881
Net loss for the period	-	-	-	(245,512)	(245,512)
Balance, August 31, 2019	34,877,596	$ 2,303,384	$ 2,150	$ (1,703,666)	$ 601,868
Currency translation adjustment	-	-	234	-	234
Net loss for the period	-	-	-	(168,038)	(168,038)
Balance, February 29, 2020	34,877,596	$ 2,303,384	$ 2,384	$ (1,871,704)	$ 434,064

The accompanying notes are integral part of these condensed consolidated interim financial statements

LIDA RESOURCES INC.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian dollars)

For the six months ended		**February 29, 2020**		**February 28, 2019**
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net income (loss) from continuing operations	$	(168,038)	$	1,170,148
Gain on sale of subsidiary		-		(1,349,242)
Changes in non-cash working capital items:				
Accounts receivable		(5,569)		(34,075)
Prepaid expenses		3,860		3,779
Deferred financing cost		(27,500)		-
Accounts payable and accrued liabilities		159,972		66,694
Due to related party		36,333		-
Net cash used in operating activities		(942)		(142,696)
FINANCING ACTIVITY				
Shares issued on private placement		-		104,005
Net cash provided by financing activity		-		104,005
Change in cash		(942)		(38,691)
Cash, beginning of period		1,511		46,088
Cash, end of period	$	569	$	7,397

Supplemental cash-flow information				
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-
Non-cash transactions				
Disposition of mineral properties and accounts receivable for Fidelity Minerals shares received	$	-	$	1,055,384
Distribution of investment in Fidelity Minerals shares to Lida shareholders	$	-	$	2,404,625

The accompanying notes are integral part of these condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Lida Resources Inc. (the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on September 8, 2017 and is an exploration stage company focusing on mineral properties in Peru. The Company's head and registered and records office is located at Suite 2400, 525 8 Avenue SW, Calgary, Alberta, T2P 1G1.

These condensed consolidated interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of February 29, 2020, the Company has a working capital deficiency of $395,791 (August 31, 2019 - $226,211), has not generated any revenues from operations and has an accumulated deficit of $1,871,704 (August 31, 2019 - $1,703,666). Management expects the Company will incur further expenditures to acquire and develop its mineral properties and for administrative expenses. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended August 31, 2019, which have been prepared with International Financial Reporting Standards ("IFRS"). These condensed consolidated interim financial statements were approved by the Company's Board of Directors on May 12, 2020.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company balances and transactions have been eliminated on consolidation.

	Place of incorporation	Proportion of ownership interest at February 29, 2020	Proportion of ownership interest at August 31, 2019
Imperium Mining SAC	Lima, Peru	100%	100%
Lida Resources SAC	Lima, Peru	100%	100%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of Estimates and Judgments

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of judgment include the following:

(i) Functional currency

Determination of functional currency may involve certain judgments to determine the primary economic environment. The Company reconsiders the functional currency of the group if there is a change in events and conditions, which determined the primary economic environment. Management has determined that the functional currency for the Company is the Canadian dollar and the functional currency of the Peruvian subsidiaries is the Peruvian Sol.

(ii) Valuation of mineral interests

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition costs that have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/ studies, accessible facilities and existing permits.

(iii) Going concern

The application of the going concern assumption requires management to consider all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(iv) Acquisitions

Management has had to apply judgment relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of each acquisition in order to reach a conclusion.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of Estimates and Judgments (continued)

The key estimates applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

(i) Deferred income tax assets

Valuation of deferred tax assets requires the Company to estimate the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities. The Company applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

(ii) Share Based Consideration Received

In estimating the fair value of share-based consideration received, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.

(a) Changes in Accounting Policies

Leases

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended August 31, 2019, with the exception of the following:

Adoption of new standards - Leases

The Company adopted the requirements of IFRS 16 effective September 1, 2019. This new standard replaces IAS 17 Leases and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets.

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company was not required to recognize any right of use assets and lease liabilities related to the Company's leased premises as the only lease outstanding at August 31, 2019 was a month-to-month contract.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

For any new contracts entered on or after August 31, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
ii. the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

(Unaudited - Expressed in Canadian dollars)

3. MINERAL INTERESTS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

Mineral interest acquisition costs:

		San Vicente
Balance, August 31, 2019	$	828,079
Foreign currency adjustment		1,776
Balance, February 29, 2020	$	829,855

Exploration and evaluation costs for the six months ended:

		February 29, 2020		February 28, 2019
Licenses, taxes, and claim fees	$	2,727	$	-
Geology, lab, and other fees		111		5,379
Camp operations		2,785		11,966
Professional fees		18		11,779
Transportation		1,304		6,553
Community relations		-		24,390
Management and consulting		6,619		8,074
Rent		1,433		2,785
Wages and salaries		28,488		4,410
Environmental expenditures		-		3,890
	$	43,485	$	79,226

San Vicente, Peru

On March 5, 2018, Imperium Mining SAC (“Imperium”) acquired 100% of the San Vicente mineral property, which comprised of one mining concession located in the western side of the Central Andean Cordillera in Northern Peru. Imperium acquired the property by paying US$100,000, of which US$34,000 remained outstanding on February 29, 2020 (August 31, 2019 – US$ 34,000). The funds were advanced by Lida prior to the Company acquiring Imperium.

4. SHARE CAPITAL

Authorized: Unlimited number of common shares without par value

Issued: During the six months ended February 29, 2020, there were no shares issued.

5. FINANCIAL INSTRUMENTS AND RISKS

(a) Fair value Hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair values of other financial instruments, which include cash, accounts payable, due to related parties, and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of an unexpected loss if an exploration partner, counterparty or third party to a financial instrument fails to meet its contractual obligations. To reduce credit risk, cash is on deposit at major financial institutions. The carrying value of the financial assets represents the maximum credit exposure.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. All of the Company's financial liabilities have contractual maturities of less than 90 days. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at February 29, 2020, the cash balance of $569 (August 31, 2019 – $1,511) will not be sufficient to meet its obligations related to its accounts payable and accrued liabilities of $464,064 (August 31, 2019 - $302,550), amounts due to related parties of $47,733 (August 31, 2019 - $11,400) and required administrative and exploration and evaluation expenditures over the next twelve months. The Company will be required to raise additional capital in the future to fund its operations.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market price

a. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. The Company is not exposed to significant interest rate risk.

5. FINANCIAL INSTRUMENTS AND RISKS (continued)

(d) Market risk (continued)

b. Foreign currency risk

The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in US dollars ("US$") and Peruvian Soles ("Sol"). At February 29, 2020 the carrying amounts of the Company's foreign currency denominated monetary assets are as follows:

	February 29, 2020		August 31, 2019	
	Sol	US$	Sol	US$
Cash	569	-	1,200	188
Accounts Payable	(206,640)	(34,000)	(112,466)	(33,760)

The Company has not entered any foreign currency contracts to mitigate this risk. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the US$ and Sol by 5% would increase or decrease net loss by approximately $2,300 and $3,500 respectively.

c. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to such risk.

6. RELATED PARTY TRANSACTIONS

During the six months ended February 29, 2020, the Company incurred $nil (2019 - $18,000) of consulting fees to the Chief Executive Officer ("CEO"). As of February 29, 2020, the Company had an amount payable to the CEO of $20,233 (August 31, 2019 - $11,400).

During the six months ended February 29, 2020, the Company incurred $12,000 (2019 - $12,000) of consulting fees, defined as Professional Fees in the Income Statement, to the former Chief Financial Officer ("CFO"). As of February 29, 2020, the Company had amounts due to the CFO for $nil (August 31, 2019 - $nil).

At February 29, 2020, the Company had amounts due to directors totaling $47,733 (August 31, 2019 - $11,400) including $20,233 owed to the CEO of the Company, $15,000 (August 31, 2019 - $nil) owed to 2 other directors and $12,500 (August 31, 2019 - $nil) due to a person related to the CEO.

All amounts due to related parties are without interest or stated terms of repayment.

7. SEGMENTED INFORMATION

During the six months ended February 29, 2020, the Company operated in one industry segment: mineral exploration; within the two geographic segments of Canada and Peru. The Company and all subsidiaries are operated as one entity with a common management located at the Company's head office in Canada. The Company's non-current assets at February 29, 2020 and August 31, 2019 are in Peru.

8. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital.

The Company manages its capital structure and adjusts it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through issuance of new shares or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged since incorporation.

9. SUBSEQUENT EVENT

During February and March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company, including the ability of the Company to raise equity financing, in future periods.