

LIDA RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the six months ended February 28, 2021

(Unaudited – Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Lida Resources Inc. (the "Company") have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the six months ended February 28, 2021 have not been reviewed or audited by the Company's independent auditors.

LIDA RESOURCES INC.**Condensed Consolidated Interim Statements of Financial Position**

(Expressed in Canadian dollars)

As at	February 28, 2021 (unaudited)	August 31, 2020 (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 86,884	\$ 542,567
Accounts receivable	21,217	10,715
Prepaid expenses	6,023	3,603
	114,124	556,885
Mineral interests (Note 3)	1,081,777	1,094,403
TOTAL ASSETS	\$ 1,195,901	\$ 1,651,288
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 330,195	\$ 245,382
Promissory notes payable (Note 6)	90,000	-
Due to related parties (Note 7)	10,000	10,000
	430,195	255,382
TOTAL LIABILITIES	430,195	255,382
EQUITY		
Share capital (Note 4)	3,940,550	3,940,550
Reserves	105,455	105,455
Accumulated other comprehensive loss	(35,650)	(15,728)
Deficit	(3,244,649)	(2,634,371)
	765,706	1,395,906
TOTAL EQUITY	765,706	1,395,906
TOTAL LIABILITIES AND EQUITY	\$ 1,195,901	\$ 1,651,288

Nature of operations and going concern (Note 1)
Subsequent event (Note 7)

Approved and authorized for issue by the Board of Directors on April 29, 2021

/s/ "Leonard De Melt"
Leonard De Melt, Director

/s/ "Patrick Morris"
Patrick Morris, Director

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

LIDA RESOURCES INC.**Condensed Consolidated Interim Statements of Operations and Comprehensive Loss**

(Unaudited – Expressed in Canadian dollars)

	For the three months ended February 28, 2021	For the three months ended February 29, 2020	For the six months ended February 28, 2021	For the six months ended February 29, 2020
EXPENSES				
Bank charges	\$ 497	\$ 123	\$ 1,091	\$ 604
Consulting (Note 7)	41,430	7,525	374,735	7,525
Exploration and evaluation costs (Note 3)	47,335	18,256	101,003	43,485
General and administrative (Note 7)	11,960	6,178	24,690	8,452
Professional fees (Note 7)	91,075	12,870	100,650	107,551
Transfer agent and regulatory fees	10,025	355	14,068	355
Travel	-	71	-	71
Loss before other income	(202,322)	(45,378)	(616,237)	(168,043)
Other income				
Foreign exchange gain	3,802	5	3,802	5
Interest income	464	-	2,157	-
Total other income	4,266	5	5,959	5
Net loss for the period	(198,056)	(45,373)	(610,278)	(168,038)
Other comprehensive income (loss)				
Items that will be reconciled to profit or loss:				
Foreign exchange gain (loss) on translation adjustment	(11,420)	2,914	(19,922)	234
Other comprehensive loss for the period	\$ (209,476)	\$ (42,459)	\$ (630,200)	\$ (167,804)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	54,783,096	34,877,596	54,783,096	34,877,596

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

LIDA RESOURCES INC.**Condensed Consolidated Interim Statements of Changes in Equity**

(Unaudited – Expressed in Canadian dollars)

	Share capital		Reserves	Accumulated other comprehensive income (loss)		Deficit	Total
	Number of shares	Amount					
Balance, August 31, 2019	34,877,596	\$ 2,303,384	\$ -	\$ 2,150	\$ (1,703,666)	\$ 601,868	
Currency translation adjustment	-	-	-	234	-	234	
Net loss	-	-	-	-	(168,038)	(168,038)	
Balance, February 29, 2020	34,877,596	2,303,384	-	2,384	(1,871,704)	434,064	
Issuance of shares on private placement, net	19,496,000	1,543,418	111,828	-	-	1,655,246	
Exercise of warrants	409,500	93,748	(6,373)	-	-	87,375	
Currency translation adjustment	-	-	-	(18,112)	-	(18,112)	
Net loss	-	-	-	-	(762,667)	(762,667)	
Balance, August 31, 2020	54,783,096	3,940,550	105,455	(15,728)	(2,634,371)	1,395,906	
Currency translation adjustment	-	-	-	(19,922)	-	(19,922)	
Net loss	-	-	-	-	(610,278)	(610,278)	
Balance, February 28, 2021	54,783,096	\$ 3,940,550	\$ 105,455	\$ (35,650)	\$ (3,244,649)	\$ 765,706	

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

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

For the six months ended	February 28, 2021	February 29, 2020
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss	\$ (610,278)	\$ (168,038)
Changes in non-cash working capital items:		
Accounts receivable	(10,502)	(5,569)
Prepaid expenses	(2,420)	3,860
Deferred financial costs	-	(27,500)
Accounts payable and accrued liabilities	87,178	159,972
Due to related parties	-	36,333
Net cash used by operating activities	(536,022)	(942)
INVESTING ACTIVITY		
Mineral interest additions	(9,661)	-
Net cash used in investing activity	(9,661)	-
FINANCING ACTIVITY		
Promissory notes payable	90,000	-
Net cash provided by financing activity	90,000	-
Decrease in cash	(455,683)	(942)
Cash and cash equivalents, beginning of period	542,567	1,511
Cash and cash equivalents, end of period	\$ 86,884	\$ 569
Supplemental cash flow information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-cash transactions		
Mineral interest costs included in accounts payable	\$ 42,188	\$ -

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

LIDA RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended February 28, 2021

(Unaudited – Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Lida Resources Inc. (“Lida” or 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. During the six months ended February 28, 2021, the Company has not generated any revenues from operations and incurred a net loss of \$610,278 (2020 - \$168,038). As at February 28, 2021, the Company has an accumulated deficit of \$3,244,649 (August 31, 2020 - \$2,634,371). 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.

The outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 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, 2020, 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 April 29, 2021.

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.

LIDA RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended February 28, 2021

(Unaudited – Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Imperium Mining SAC (Peru) and Lida Resources SAC (Peru). 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 intercompany balances and transactions have been eliminated on consolidation.

(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, twelve 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.

LIDA RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended February 28, 2021

(Unaudited – Expressed in Canadian dollars)

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 values 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.

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		(16,778)
Acquisition costs		283,102
Balance, August 31, 2020		1,094,403
Foreign currency adjustment		(22,237)
Acquisition costs		9,611
Balance, February 28, 2021	\$	1,081,777

Exploration and evaluation costs:

<i>For the six months ended</i>	February 28, 2021	February 29, 2020
Camp operations	\$ 7,139	\$ 2,785
Community relations	823	-
Geology, lab and other fees	2,746	111
Licenses, taxes and claim fees	54	2,727
Management and consulting	3,684	6,619
Professional fees	13,137	18
Rent	-	1,433
Transportation	9,300	1,304
Wages and salaries	64,120	28,488
	\$ 101,003	\$ 43,485

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(Unaudited – Expressed in Canadian dollars)

3. MINERAL INTERESTS (continued)

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 28, 2021 (August 31, 2020 – US\$ 34,000). The funds were advanced by Lida prior to the Company acquiring Imperium.

On June 30, 2020, Imperium entered two agreements to acquire 400 hectares which encompass the Quiruvilca mine, the total acquisition cost to the Company was US\$200,000 with no further obligations.

On July 7, 2020, the Company, through Imperium, staked 2,500 hectares in the vicinity of its San Vicente and Quiruvilca properties.

4. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and Outstanding

During the six months ended February 28, 2021, no share issuances occurred.

(c) Stock Option Plan

On February 1, 2019, the Company adopted a stock option plan (the “Plan”) to provide an incentive to directors, officers, employees, consultants and other personnel of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The exercise price of an option granted under this Plan shall be as determined by the Board of Directors when such option is granted and shall not be lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the option. All options are subject to vesting limitations that may be imposed by the Board of Directors at the time such option is granted. As of February 28, 2021, the Company has not granted any options.

(d) Common share purchase warrants

The common share purchase warrants issued were valued using the residual method. At February 28, 2021, the Company had the following share purchase warrants outstanding and exercisable:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, August 31, 2019	-	-
Issued	9,748,000	0.25
Exercised	(309,500)	0.25
Balance, August 31, 2020 and February 28, 2021	9,438,500	0.25

Date of Expiry	Exercise Price (\$)	February 28, 2021	August 31, 2020
May 22, 2022	0.25	9,438,500	9,438,500
Total Outstanding and Exercisable		9,438,500	9,438,500

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For the Six Months Ended February 28, 2021

(Unaudited – Expressed in Canadian dollars)

4. SHARE CAPITAL (continued)

(e) Agent Warrants

In estimating the fair value of agent warrants issued using the Black-Scholes option pricing model, the Company is required to make assumptions. The expected volatility assumption is based on the historical volatility of common share prices of comparable companies. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the share purchase warrant's expected life. The Company uses historical data to estimate agent warrant exercise and forfeiture within the valuation model. The Company has not paid dividends on its common stock to date.

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, August 31, 2019	-	-
Issued	1,754,640	0.10
Exercised	(100,000)	0.10
Balance, August 30, 2020 and February 28, 2021	1,654,640	0.10

Date of Expiry	Exercise Price (\$)	February 28, 2021	August 31, 2020
May 22, 2022	0.10	1,654,640	1,654,640
Total Outstanding and Exercisable		1,654,640	1,654,640

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 and accrued liabilities, and due to related parties 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 and cash equivalents are on deposit at major financial institutions. The carrying value of the financial assets represents the maximum credit exposure.

LIDA RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended February 28, 2021

(Unaudited – Expressed in Canadian dollars)

5. FINANCIAL INSTRUMENTS AND RISKS (continued)

(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. 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.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to 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.

(ii) 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"). The carrying amounts of the Company's foreign currency denominated monetary assets are as follows:

	February 28, 2021		August 31, 2020	
	Sol	US\$	Sol	US\$
Cash	1,338	2,187	19,981	9,738
Accounts payable	(206,853)	(36,081)	(128,178)	(47,551)
Total	(205,515)	(33,894)	(108,197)	(37,813)

The Company has not entered into 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 \$2,200 and \$3,600, respectively.

(iii) 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. PROMISSORY NOTES

On January 27, 2021, the Company entered a promissory note payable agreement for \$30,000 with an arm's length party. The promissory note accrues interest at 15% per annum and is payable upon the completion of a future financing.

On February 25, 2021, the Company entered a promissory note payable agreement for \$60,000 with the Chief Executive Officer ("CEO") of the Company. The promissory note accrues interest at 15% per annum and is payable upon the completion of a future financing.

LIDA RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended February 28, 2021

(Unaudited – Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

During the six months ended February 28, 2021, the Company incurred \$20,400 (2020 - \$nil) of consulting fees to the CEO. As at February 28, 2021, the Company is indebted to the CEO for \$60,000 (August 31, 2020 - \$nil) related to the promissory note (Note 6).

During the six months ended February 28, 2021, the Company incurred \$15,000 (2020 - \$nil) of consulting fees, defined as general and administrative expenses in the condensed consolidated interim statements of operations and comprehensive loss, to a company controlled by the Chief Financial Officer (“CFO”).

During the six months ended February 28, 2021, the Company incurred \$nil (2020 - \$12,000) of consulting fees, defined as professional fees in the condensed consolidated interim statements of operations and comprehensive loss, to the former CFO. As of February 28, 2021, the Company had amounts due to the former CFO of \$31,985 (August 31, 2020 - \$42,473). On December 3, 2020, the Company agreed to a debt settlement with the former CFO through common directors. Under the terms of the agreement, the Company will settle \$30,000 in debt through the issuance of 600,000 common shares. The shares were issued subsequent to February 28, 2021.

At February 28, 2021, the Company had amounts due to a former director totaling \$10,000 (August 31, 2020 - \$10,000).

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

8. SEGMENTED INFORMATION

During the six months ended February 28, 2021, 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 28, 2021 and August 31, 2020 are in Peru.

9. 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 cash equivalents 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.