ALTUM RESOURCE CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended January 31, 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE TO READER

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

The condensed interim financial statements of the Company for the period ended January 31, 2020 have been prepared by and are the responsibility of the Company's management.

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

ALTUM RESOURCE CORP.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)

	January 31, 2020	July 31, 2019
ASSETS		
Current		
Cash	$ 124,048	$ 162,653
Prepaid	2,500	-
Receivables	3,388	2,487
	129,936	165,140
Exploration and evaluation assets (Note 3)	97,524	97,524
	$ 227,460	$ 262,664
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 23,701	$ 32,078
Shareholders' equity (deficiency)		
Share capital (Note 5)	276,001	276,001
Contributed surplus (Note 5)	106,099	30,000
Deficit	(178,341)	(75,415)
	203,759	(230,586)
	$ 227,460	$ 262,664

Nature of operations and going concern (Note 1)
Subsequent events (Note 9)

On behalf of the Board:

"James Walchuck" Director *"Stuart Ross"* Director

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

ALTUM RESOURCE CORP.
CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)

	Three Months Ended January 31, 2020	Six Months Ended January 31, 2020
EXPENSES		
Consulting	$ 7,500	$ 15,000
Office	40	94
Professional fees	8,733	8,733
Rent	1,500	3,000
Share based compensation (Note 4 and 5)	76,099	76,099
Loss and comprehensive loss for the period	$ (93,872)	$ (102,926)
Loss per common share		
-Basic and diluted	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		
-Basic and diluted	10,200,001	10,200,001

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

ALTUM RESOURCE CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOW
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)

	Six months Ended January 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	$ (102,926)
Items not effecting cash:	
Share-based compensation	76,099
Changes in non-cash working capital items:	
Increase in prepaids	(2,500)
Increase in receivables	(900)
Decrease in payables	(8,378)
Net cash used in operating activities	(38,605)
Change in cash during the period	(38,605)
Cash, beginning of period	162,653
Cash, end of period	$ 124,048

Supplemental disclosure with respect to cash flows (Note 6)

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

ALTUM RESOURCE CORP.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share Capital								
	Number of shares		Amount		Contributed Surplus		Deficit		Total
Incorporation February 20, 2019	1	$	1	$	-	$	-	$	1
Share issuance (Note 5)	10,200,000		276,000		-		-		276,000
Share-based compensation (Note 5)	-		-		30,000		-		30,000
Loss for the period	-		-		-		(75,415)		(75,415)
Balance, July 31, 2019	10,200,001		276,001		30,000	$	(75,415)	$	230,586
Share-based compensation (Note 4 and 5)	-		-		76,099		-		76,099
Loss for the period	-		-		-		(102,906)		(102,906)
Balance, January 31, 2020	10,200,001	$	276,001	$	106,099	$	(178,341)	$	203,759

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Altum Resource Corp. (the "Company") was incorporated on February 20, 2019 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 3148 Highland Boulevard, North Vancouver, British Columbia, Canada. To date, the Company has not earned operating revenue. On March 6, 2020, the British Columbia Securities Commission issued a receipt for the Company's Long Form Prospectus and the Company became a reporting issuer in British Columbia and Alberta. On March 26, 2020, the Company's common shares were listed on the Canadian Securities Exchange ("CSE") and the Company became a reporting issuer in Ontario. On March 27, 2020, the Company announced the completion of its initial public offering (the "IPO") of 3,500,000 common shares at a price of $0.10 per common share. The common shares of the Company commenced trading on the CSE, on March 30, 2020 under the trading symbol ALTM (Note 9).

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

As at January 31, 2020, the Company has generated negative cash flows from operating activities and has an accumulated deficit of $178,341. The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues enough to cover its operating costs. 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 interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the period ended July 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six-month period ended January 31, 2020 are not necessarily indicative of the results that may be expected for the year ending July 31, 2020.

These financial statements were authorized for issue by the Board of Directors on March 31, 2020.

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New standards and interpretations adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods. The following have been adopted by the Company:

- IFRS 16 *Leases*: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The adoption of this new standards did not have a significant impact on the Company's financial statement.

3. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets 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 exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all its properties are in good standing.

		Adam West
Balance incorporation February 20, 2019	$	-
Acquisition costs:		
Cash		5,000
Deferred exploration costs:		
Geophysical		40,927
Consulting		23,925
Report preparation		7,991
Assay		11,842
Field		7,893
Total expenditures for the period		92,524
Balance January 31, 2020 and July 31, 2019	$	97,524

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Adam West Project

Pursuant to an option agreement dated April 2, 2019 (the "Property Option Agreement") the Company was granted an option to acquire a 100% undivided intertest in the Adam West Project (the "Property") in the Nanaimo Mining Division, British Columbia. To exercise the option the Company must pay $105,000 and issue 2,000,000 common share as follows:

		Cash	Common Shares
Upon signing of the agreement (paid)	$	5,000	
On or before the Company's common shares listed on the CSE (the" Listing")		10,000	
Within 15 days of the Listing		-	100,000
On or before the first anniversary of the Listing		10,000	300,000
On or before the second anniversary of the Listing		20,000	400,000
On or before the third anniversary of the Listing		30,000	600,000
On or before the fourth anniversary of the Listing		30,000	600,000
Total	$	105,000	2,000,000

Upon commencement of commercial production, the optionors will receive a 1.8% Gross Smelter Returns Royalty.

4. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the six months ended January 31, 2020, key management received share-based compensation in the amount of $68,638.

5. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the year ended July 31, 2019, the Company had the following share capital transactions:

(1) The Company issued 1 share on incorporation for proceeds of $1.

(2) On March 28, 2019 the Company issued 2,000,000 common shares at a price of $.005 per common share for gross proceeds of $10,000. The fair value of the common shares was estimated to be $40,000. Accordingly, the Company recorded share-based compensation of $30,000 and a corresponding increase to contributed surplus.

(3) On April 2, 2019 the Company issued 1,000,000 flow-through common shares at a price of $.02 per common share for gross proceeds of $20,000 which the Company is committed to spend in Qualifying Canadian Exploration Expenditures ("CEE").

(4) On April 17, 2019 the Company issued 3,100,000 flow-through common shares at a price of $.02 per common share for gross proceeds of $62,000 which the Company is committed to spend in Qualifying Canadian Exploration Expenditures ("CEE").

As at July 31, 2019 the Company has incurred $66,533 in CEE.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (cont'd)

(5) On May 7, 2019 the Company issued 700,000 common shares at a price of $.02 per common share for gross proceeds of $14,000.

(6) On June 14, 2019 the Company issued 2,000,000 common shares at a price of $.05 per common share for gross proceeds of $100,000.

(7) On July 30, 2019 the Company issued 1,400,000 common shares at a price of $.05 per common share for gross proceeds of $70,000.

Stock Options

On November 16, 2019, the Company adopted an incentive stock option plan (the "Plan"), which provides that the Board of Directors of the Company (the "Board") may from time-to-time, at its discretion, grant to directors, officers, employees and consultants of the Company, non-transferable stock options to purchase common shares of the Company at the fair market value of such shares on the date the stock options are granted. The maximum number of common shares which may be reserved for issuance under the Plan cannot exceed a rolling 10% of the Company's issued and outstanding common shares at the time the stock options are granted. Vesting of stock options is at the discretion of the Board and stock options are exercisable for up to a maximum of 10 years, as determined by the Board.

As at January 31, 2020, the Company had stock options outstanding enabling the holder to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Life Remaining
1,020,000	$0.10	November 16, 2024	4.80

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at July 31, 2018	-	$ -
Granted	1,020,000	0.10
As at January 31, 2020	1,020,000	$ 0.10

During the period ended January 31, 2020, the Company recognized share-based payments expense of $76,099 (2019 - $Nil), in connection with the vesting of stock options granted.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options modified and granted during the period ended January 31, 2020:

Risk-free interest rate	1.48%
Expected life of options	5.00
Annualized volatility	100%
Dividend rate	0%

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended January 31, 2020

- exploration and evaluation assets expenditures in accounts payable of $Nil (July 31, 2019 - $8,378.)

Significant non-cash transactions during the period ended July 31, 2019;

- exploration and evaluation assets expenditures in accounts payable of $8,378.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote and has deposited cash in high credit quality financial institutions.

Liquidity risk

As of January 31, 2020, the Company had cash balance of $124,048 (July 31, 2019 – $162,653) to settle current liabilities of $23,700 July 31, 2019 - $8,378). The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Foreign currency risk

The Company's expenditures are denominated in Canadian dollars and current exposure to currency risk is minimal.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

8. CAPITAL MANAGEMENT

The Company defines capital that it manages as the aggregate of share capital, contributed surplus and deficit.

The Company manages its capital structure and adjusts 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 Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough 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. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

9. SUBSEQUENT EVENTS

On March 27, 2020, the Company completed its IPO of 3,500,000 common shares at $0.10 per common share for gross proceeds of $350,000. The net proceeds of the IPO will be used for working capital and to carry out exploration of the Company's Adam West Property.

Haywood Securities Inc. acted as agent (the "Agent") for the IPO. The Agent received a cash commission equal to 10% of the gross proceeds of the IPO and a corporate finance fee of $40,000, of which $30,000 was paid in cash and $10,000 in common shares of the Company. Additionally, the Company granted the Agent and its selling group compensation options entitling the holder to purchase in aggregate 350,000 common shares of the Company at a price of $0.10 per share, exercisable on or before March 27, 2022. The Company also incurred share issuance costs of $22,000.

Pursuant to the Property Option Agreement, the Company issued 100,000 common shares to the optionors on March 27, 2020.

The common shares of the Company began trading on the CSE on March 30, 2020 under the symbol "ALTM".