79 RESOURCES LTD.

Condensed Interim Financial Statements

For the period ended June 30, 2020

Unaudited - Expressed in Canadian Dollars

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), 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 accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management.

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

79 RESOURCES LTD.

Condensed Interim Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	Notes	June 30, 2020	December 31, 2019
ASSETS			
Current assets			
Cash		$ 9,358	$ 65,044
Amounts recoverable		468	5,347
Deferred finance costs	9	10,000	10,000
		19,826	80,391
Non-current assets			
Exploration and evaluation assets	3	121,764	121,544
		$ 141,590	$ 201,935
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 38,618	$ 71,944
Due to related parties	5	12,000	3,000
		50,618	74,944
Shareholders' equity			
Share capital	4	184,751	184,751
Reserves	4	22,544	-
Deficit		(116,323)	(57,760)
		90,972	126,991
		$ 141,590	$ 201,935

Nature and continuance of operations (Note 1)
Proposed transaction (Note 9)
Subsequent event (Note 10)

Approved on behalf of the Board of Directors

"Gary Musil" Director
Gary Musil

"Nancy Kawazoe" Director
Nancy Kawazoe

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

79 RESOURCES LTD.

Condensed Interim Statement of Loss and Comprehen

(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended June 30, 2020	Period from April 17 to June 30, 2019	Six months ended June 30, 2020	Period from April 17 to June 30, 2019
Expenses					
Bank and interest charges		$ 41	$ 45	$ 82	$ 45
Management fees	5	7,500	-	15,000	-
Office and miscellaneous	5	-	-	400	-
Professional fees	5	4,984	1,856	9,484	1,856
Regulatory and filing fees		9,853	-	9,853	-
Rent	5	-	-	1,200	-
Share-based payments	4, 5	-	-	22,544	-
Total expenses		(22,378)	(1,901)	(58,563)	(1,901)
Loss and comprehensive loss for the period		$ (22,378)	$ (1,901)	$ (58,563)	$ (1,901)
Weighted average number of common shares outstanding (basic and diluted)		8,200,001	1,810,812	8,200,001	1,810,812
Basic and diluted net loss per share		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)

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

79 RESOURCES LTD.

Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Amount	Share-based payment Reserves	Deficit	Total
Balance, April 17, 2019 (date of incorporation)	-	$ -	$ -	$ -	$ -
Loss for the period	-	-	-	(1,901)	(1,901)
Shares issued pursuant to private placement	2,000,001	10,001	-	-	10,001
Balance at June 30, 2019	2,000,001	10,001	-	(1,901)	8,100
Loss for the period ended December 31, 2019	-	-	-	(55,859)	(55,859)
Shares issued pursuant to private placement	6,100,000	185,000	-	-	185,000
Shares issued to acquire exploration and evaluation assets	100,000	2,000		-	2,000
Share issue costs	-	(12,250)	-	-	(12,250)
Balance at December 31, 2019	**8,200,001**	**$ 184,751**	**$ -**	**$ (57,760)**	**$ 126,991**
Loss for the period	-	-	-	(58,563)	(58,563)
Share-based payments	-	-	22,544	-	22,544
Balance at June 30, 2020	**8,200,001**	**$ 184,751**	**$ 22,544**	**$ (116,323)**	**$ 90,972**

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

79 RESOURCES LTD.
Condensed Interim Statement of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six months ended June 30, 2020	Period from April 17 to June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (58,563)	$ (1,901)
Adjustments to reconcile loss to net cash used in operating activities:		
Share-based payments	22,544	-
Changes in non-cash items:		
Decrease (increase) in amounts recoverable	4,879	(64)
Increase (decrease) in accounts payable and accrued liabilities	(24,326)	-
Net cash used in operating activities	(55,466)	(1,965)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(220)	-
Net cash used in investing activities	(220)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	10,001
Net cash provided by financing activities	-	10,001
Foreign exchange on cash	-	-
Increase (Decrease) in cash	(55,686)	8,036
Cash, beginning	65,044	-
Cash, end	$ 9,358	$ 8,036

Non-cash investing and financing activities (note 7)

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

1. Nature and continuance of operations

79 Resources Ltd. (the "Company") was incorporated on April 17, 2019 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's registered office is Suite 1170 – 1040 West Georgia Street, Vancouver, BC, V6E 4H1 and its corporate office and principal place of business of the Company is 625 Howe Street, Suite 600, Vancouver, British Columbia, Canada, V6C 2T6.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. At June 30, 2020 the Company was in the exploration stage and had interests in properties in Canada.

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern and 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, and upon future profitable production or proceeds from the disposition thereof. The Company has sustained losses from operations, and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. As at June 30, 2020, the Company had a working capital deficiency of $30,792. Based on its current plans, budgeted expenditures, and cash requirements, the Company does not have sufficient cash to finance its current plans. These material uncertainties may cast substantial doubt about the Company's ability to continue as a going concern. The Company expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available.

These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company is in the process of filing an initial public offering ("IPO") to become publicly listed on the Canadian Securities Exchange ("CSE") (Note 9).

In March 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a global pandemic which 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 in the future.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on August 28, 2020 by the directors of the Company.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

2. Significant accounting policies and basis of preparation (cont'd)

Statement of compliance (cont'd)

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2019.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. The financial statements are presented in Canadian dollars, which is the Company's functional currency, unless otherwise noted.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant estimates made in the preparation of these financial statements include the recoverable value of exploration and evaluation assets, share-based compensation, and the valuation of provisions for restoration and environmental liabilities.

Significant judgements include assessment of going concern assumption, determination of cash-generating units, selection of fair value models, and the determination of technical feasibility and commercial viability of mineral properties.

Foreign currency translation

The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

<u>Transactions and balances:</u>

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments

Financial assets are classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition. All financial assets not classified at amortized cost or FVOCI are measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss. Financial assets and financial liabilities classified at amortized cost are using the effective interest method.

Impairment of assets

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

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

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

Income taxes

<u>Deferred income tax:</u>

Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

2. Significant accounting policies and basis of preparation (cont'd)

Exploration and evaluation assets

The Company is in the exploration stage in respect to its exploration and evaluation assets.

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, geological and geophysical evaluation, surveying costs, drilling costs, payments made to contractors and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

Where the Company has entered into option agreements for the acquisition of an interest in exploration and evaluation assets which provided for periodic payments, such amounts unpaid are not recorded as a liability when they are payable entirely at the Company's discretion. Although the Company has taken steps to verify title to the exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. The exploration and evaluation assets may be subject to prior undetected agreements or transfers and title may be affected by such defects.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written-off to profit or loss.

The Company assesses exploration and evaluation assets for indications of impairment at each reporting date.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine development cost". Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

Any incidental revenue earned in connection with exploration activities is applied as a reduction to capitalized exploration costs. Any operational income earned in connection with exploration activities is recognized in the profit or loss.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense. The Company does not have any provisions for rehabilitation obligations.

2. Significant accounting policies and basis of preparation (cont'd)

Flow-through shares

The Company may from time to time, issue flow-through common shares to finance its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability on a pro-rata basis to the expenditures incurred. The reduction of the flow-through share premium previously recorded is recognized as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian exploration expenses (as defined in the Tax Act).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with the Tax Act. When applicable, this tax is accrued as a financial expense until paid.

Share capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company. The Company's common shares, share warrants and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

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

Leases

IFRS 16 Leases - Specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company had no leases in effect during the periods presented.

(Unaudited - Expressed in Canadian dollars)

3. Exploration and evaluation assets

Louise Lake, British Columbia	December 31, 2019	Incurred in period	June 30, 2020
Acquisition costs			
Cash	$ 7,673	-	$ 7,673
Shares	2,000	-	2,000
	9,673	-	9,673
Exploration costs			
Assays and testing	4,690	88	4,778
Geological consulting	29,879	-	29,879
Ground magnetic survey	38,336	-	38,336
Mapping and surveying	2,090	-	2,090
Reports and administration	15,401	132	15,533
Travel and accommodation	21,475	-	21,475
	111,871	220	112,091
TOTAL	$ 121,544	220	$ 121,764

Louise Lake (British Columbia)

On July 8, 2019 the Company entered into an agreement to acquire up to a 75% interest in certain mining claims in the Omineca Mining Division, British Columbia. To acquire a 51% interest, the Company issued 100,000 common shares (issued for $2,000) and made a cash payment of $5,000 to the vendors.

To earn a further 24% (for a total of 75%), the Company must pay the vendors $10,000 on or before July 8, 2020, which has been extended to August 8, 2020 (paid subsequent), issue 100,000 common shares on or before the first anniversary of the initial listing of the Company's shares on an exchange, and incur aggregate exploration expenditures of $225,000 of which $75,000 must be incurred before July 8, 2020 (incurred) and $150,000 on or before the first anniversary of the initial listing of the Company's shares on an exchange (incurred $36,994).

The property is subject to a net smelter royalty of 2% payable to the vendors.

In August 2019 the Company acquired additional property rights contiguous to the Louise Lake Property for a cash payment of $2,673.

4. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2020 and December 31, 2019 there were 8,200,001 issued and fully paid common shares.

Issuances

On April 17, 2019 the Company issued 1 common share as an incorporation share for $1.

On April 24, 2019 the Company issued at total of 2,000,000 common shares at $0.005 per share to directors for gross proceeds of $10,000.

(Unaudited - Expressed in Canadian dollars)

4. Share capital (cont'd)

Issuances (cont'd)

On July 8, 2019 the Company issued a total of 100,000 common shares valued at $2,000 for a property acquisition.

On July 17, 2019 the Company issued a total of 3,000,000 flow-through common shares at $0.02 per share for gross proceeds of $60,000.

On July 29, 2019 the Company issued a total of 1,000,000 flow-through common shares at $0.02 per share for gross proceeds of $20,000.

On September 8, 2019 the Company issued a total of 2,100,000 common shares at $0.05 per unit for total gross proceeds of $105,000. The Company paid a finder's fee of $4,250 cash.

Stock options

The Company adopted a stock option plan to grant options to individuals exercisable up to 10 years from the date of grant to purchase shares at the market price, less applicable discount, if any. Such grants not to exceed an aggregate of 10% of the issued and outstanding shares and vesting periods will be determined by the Board of Directors.

On February 24, 2020, the Company granted 800,000 stock options exercisable at a price of $0.10 until February 24, 2023 to senior officers and directors. The estimated fair value of the options was $22,543 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 115%; an expected life of 3 years; a dividend yield of 0%; and a risk-free rate of 1.28%

Details of options outstanding as at June 30, 2020 are as follows:

Number of Shares	Exercise Price	Expiry date	Exercisable
800,000	$0.10	February 24, 2023	800,000

As at June 30, 2020 the options outstanding had a weighted average exercise price of $0.10 and a weighted average life of 2.65 years.

5. Related party transactions

The Company has paid rent of $1,200 and office expense of $400 to a company that is related by common directors and a senior officer.

Key management compensation

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

Effective July 1, 2019 the Company entered into a management services agreement with a company controlled by a director and senior officer. Terms include a monthly fee of $2,500 and automatic renewal every six months unless terminated by either the Company or the service provider. The Company has paid/accrued $15,000 for management services to June 30, 2020 of which $10,000 remains in accounts payable.

5. Related party transactions (cont'd)

The Company has accrued $2,000 to a director and senior officer for accounting services for the period June 30, 2020, which amount remains in accounts payable as of June 30, 2020.

Amounts due to related parties are non-interest bearing with no specific terms of repayment.

Share-based payments made to directors and officers of the Company consist of 800,000 stock options valued at $22,543.

6. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

The Company is exposed to credit risk by holding cash. Holding the cash in large Canadian financial institutions minimizes this risk. The Company has minimal accounts receivable exposure, and its amounts recoverable are due from a Canadian government agency.

Currency Risk

The Company's functional currency is the Canadian dollar. There is minimal foreign exchange risk to the Company as its mineral property interests are located in Canada. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates. Currently, this risk will have an immaterial effect on operations.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Company is at risk to changes in commodity prices which may affect financing options available to the Company.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages this risk by careful management of its working capital.

The Company's expected source of cash flow in the upcoming year will be through equity financing. Cash on hand at June 30, 2020 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

6. Financial risk management (cont'd)

Capital Management

The Company is engaged in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental issues and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

The Company includes the components of equity in the definition of capital.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

There were no changes in the Company's approach to capital management during the period.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. 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.

Management estimates that the recorded values of all cash, accounts payable and accrued liabilities, and amounts due to related parties approximate their current fair values because of their nature and anticipated settlement dates.

7. Supplemental disclosure with respect to cash flows

During the periods ended June 30, 2020 and 2019, the Company incurred the following non-cash financing and investing transactions:

	June 30, 2020	**June 30, 2019**
	$	**$**
Non-cash financing and investing activities:		
Share issue costs in accounts payable	8,000	-

8. Segmented information

The Company operates in one industry segment being the acquisition and exploration of exploration and evaluation assets in one geographical location, being Canada.

9. Proposed transaction

The Company has filed a prospectus with the securities regulatory authorities in the provinces of Alberta and British Columbia for an initial public offering ("IPO"), and pursuant to an Agency Agreement (the "Agency Agreement") entered into between the Company and Haywood Securities Inc. (the "Agent"), intends to offer 4,000,000 units (the "Offered Unit") at $0.10 per unit to the public for gross proceeds of $400,000. Each Offered Unit will consist of one common share and one common share purchase warrant (an "Offered Warrant") of the Company. Each Offered Warrant will entitle the holder thereof to acquire one common share at an exercise price of $0.15 at any time before 24 months from the closing of the IPO. In addition, the Agent was granted an over-allotment option (the "Over-Allotment Option") which would allow the Agent to sell an additional 600,000 units (the "Additional Units") under the same terms and conditions as the Offered Units.

At closing, the Company will pay an agent's commission of 10% of the gross proceeds and issue to the Agent compensation options (the "Agent's Compensation Options") equal to 10% of the aggregate number of Offered Units issued in the Offering. Each Agent's Compensation Option entitles the Agent to purchase one common share of the Company at $0.10 at any time prior to the date that is 24 months from the closing date. The Agent will also be paid a corporate finance fee (the "Corporate Finance Fee") of $40,000, of which $30,000 will be payable in cash and $10,000 in common shares. As at June 30, 2020, $10,000 has been paid towards the Corporate Finance Fee and is included in deferred finance costs.

10. Subsequent events

In July 2020, the Company arranged loans totaling $10,000 from two arm's length parties. The loans have a term of one year plus one day, bear interest of 2% per month, and are unsecured. The Company has the option to repay the loan and accrued interest in full at any time.

Subsequent to June 30, 2020, the Company completed the IPO. The IPO was fully subscribed and the Agent exercised the Over-Allotment Options to raise gross proceeds of $460,000.