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**MANSA EXPLORATION INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited)**  
**FOR THE NINE MONTHS ENDED**  
**SEPTEMBER 30, 2020 AND 2019**

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**MANSA EXPLORATION INC.**  
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**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

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

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

**MANSA EXPLORATION INC.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)  
(Unaudited)

	September 30, 2020	December 31, 2019
	\$	\$
ASSETS		
CURRENT		
Cash	7,223	36,373
Sales taxes receivable	2,144	7,963
<b>Total current assets</b>	9,368	44,336
Exploration and evaluation assets (Note 5)	438,356	438,356
<b>TOTAL ASSETS</b>	<b>447,723</b>	<b>482,692</b>
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses (Notes 6 and 7)	215,420	229,238
<b>TOTAL LIABILITIES</b>	<b>215,420</b>	<b>229,238</b>
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	689,175	689,175
Deficit	(456,872)	(435,721)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>232,203</b>	<b>253,454</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>447,723</b>	<b>482,692</b>

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)  
GOING CONCERN (Note 2)  
COMMITMENTS AND CONTINGENCIES (Note 5)

Approved on behalf of the Board:

/s/ Trumbull Fisher  
Director

/s/ Ryan Cheung  
Director

**MANSA EXPLORATION INC.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian dollars)  
(Unaudited)

	<b>Share Capital</b>		<b>Deficit</b>	<b>Total</b>
	<b>Deficit</b>	<b>Amount</b>		
		\$	\$	\$
<b>Balance, December 31, 2018</b>	<b>13,454,246</b>	<b>689,175</b>	<b>(319,074)</b>	<b>370,101</b>
Cancellation of founder share	(1)	-	-	-
Net loss and comprehensive loss for the period	-	-	(17,367)	(17,367)
<b>Balance, September 30, 2019</b>	<b>13,454,245</b>	<b>689,175</b>	<b>(336,441)</b>	<b>352,734</b>
<b>Balance, December 31, 2019</b>	<b>13,454,245</b>	<b>689,175</b>	<b>(435,721)</b>	<b>253,454</b>
Net loss and comprehensive loss for the period	-	-	(21,151)	(21,151)
<b>Balance, September 30, 2020</b>	<b>13,454,245</b>	<b>689,175</b>	<b>(456,872)</b>	<b>232,303</b>

**MANSA EXPLORATION INC.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)  
(Unaudited)

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
	\$	\$	\$	\$
<b>EXPENSES</b>				
Office and administration	265	166	748	662
Professional fees (recovery)	(62,757)	15,705	5,003	16,705
Filing fees	4,800	-	22,900	-
Debt forgiveness	-	-	(7,500)	-
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<b>57,692</b>	<b>(15,705)</b>	<b>(21,151)</b>	<b>(17,367)</b>
<b>Basic and diluted loss per common share</b>	<b>0.00</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>Basic and diluted earnings per common share</b>	<b>0.00</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>13,454,245</b>	<b>13,454,246</b>	<b>13,454,245</b>	<b>13,454,246</b>

**MANSA EXPLORATION INC.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)  
(Unaudited)

	<b>For the Nine Months Ended September 30, 2020</b>	<b>For the Nine Months Ended September 30, 2019</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Net loss and comprehensive loss	(21,151)	(17,637)
Debt forgiveness	(70,257)	-
Changes in non-cash working capital items:		
Sales taxes receivable	5,819	(1,765)
Accounts payable and accrued expenses	56,439	(3,961)
<b>Net cash used in operating activities</b>	<b>(29,150)</b>	<b>(23,363)</b>
<b>Net change in cash</b>	<b>(29,150)</b>	<b>(23,263)</b>
<b>Cash, beginning of period</b>	<b>36,373</b>	<b>60,143</b>
<b>Cash, end of period</b>	<b>7,223</b>	<b>36,880</b>

## **1. NATURE OF BUSINESS AND CONTINUING OPERATIONS**

Mansa Exploration Inc. (the "Company") was incorporated on June 10, 2016 under the laws of British Columbia. The head office, principal address, records office, and registered address of the Company is located at 401-217 Queen Street West, Toronto, Ontario, M5V 0R2.

The Company's principal business activities include the acquisition and exploration of mineral property assets located in British Columbia, Canada. The Company entered into an option agreement to acquire 100% rights over certain mineral claims (Note 5).

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and evaluation programs will result in profitable mining operations. The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

## **2. GOING CONCERN**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. As at September 30, 2020, the Company had a net working capital deficit of \$206,052 (December 31, 2019: working capital deficit of \$184,902) and an accumulated deficit of \$456,872 (December 31, 2019: \$519,629), had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful exercise of its mineral property option agreement, results from its exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These material uncertainties cast significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares.

These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.



## **2. GOING CONCERN (continued)**

### **Novel Coronavirus (“COVID-19”)**

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

## **3. BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

### **Statement of compliance**

These unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Accounting Standard 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

The financial statements were authorized for issue by the Board of Directors on November 25, 2020.

### **Basis of measurement**

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. The financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

### **Accounting policies**

Accounting policies and methods of their application followed in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual audited financial statements for the year ended December 31, 2019 except as noted below:

On January 1, 2020, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included the amendments to IAS 1. These new standards and changes did not have any material impact of the Company's financial statements.

## **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

#### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

The effect of a change in accounting estimate is recognized prospectively by including it in the statement of loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The areas involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant to the financial statements were the same as those applied to the Company's annual financial statements for the year ended December 31, 2019.

##### Judgements

###### *Going concern*

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that these financial statements should be presented under the going concern assumption. The factors considered by management are disclosed in Note 2.

###### *Exploration and evaluation expenditures*

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

##### Estimates

###### *Share-based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

###### *Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

###### *Impairment*

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment.

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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

*Contingencies*

See Note 5.

**5. EXPLORATION AND EVALUATION ASSETS**

On October 13, 2016, a group of third parties (collectively, the "Optionee") entered into a property option agreement ("the Option Agreement") to acquire a 100% interest in certain mineral claims ("the Mineral Claims"). The Mineral Claims are located at Skyfire Mineral Property, located in central British Columbia.

On October 13, 2016, the Company entered into an assignment and assumption agreement with the Optionee (the "Assignment Agreement"). The Optionee agreed to assign to the Company all its rights, obligations, interests and assets in respects of the Option Agreement. As consideration for the Assignment Agreement, the Company must pay to the Optionee \$10,000 cash (paid) and issue 4,000,000 common shares of the Company (issued). Additionally, the Company must issue 1,450,000 common shares of the Company to the initial optionors of the Option Agreement (the "Optionors") (issued) and incur exploration expenditures of \$1,250,000.

On June 13, 2018, the Option Agreement was amended and new terms for the Optionee to acquire the Mineral Claims were agreed upon and on April 30, 2019, the Option Agreement was further amended. The cash payment of \$10,000 to the Optionee was waived to acquire 100% interest. On January 31, 2020, the agreement was amended to extend the timeline to complete the expenditure commitment. The table below reflects the amended timeline.

Upon completion of a positive feasibility study, the Company has an obligation to issue 1,000,000 common shares to the Optionors of the Option Agreement.

The Optionee must meet minimum exploration expenditures as follows:

	<b>Minimum exploration expenditures to be incurred</b>
June 30, 2021 (met)	\$ 100,000
December 31, 2021	150,000
June 30, 2022	250,000
December 31, 2022	750,000
	<b>\$ 1,250,000</b>

The Company is required to incur these costs in order to earn the interest in the property from the Optionee.

The property is subject to a 2% net smelter royalty. Beginning on December 31, 2019, and annually thereafter, the Company was previously obligated to make \$50,000 cash annual advance minimum royalty payment to the Optionors. On November 7, 2019, this obligation was cancelled by the Optionors and the Company.

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

As at December 31, 2019, the project is still at an early exploration stage. The Company has incurred the following exploration expenditures:

	September 30, 2020	December 31, 2019
Acquisition costs (5,450,000 common shares at \$0.05 per common shares issued to the Optionee and Optionors)	\$272,500	\$ 272,500
Exploration costs:		
Geological costs	165,856	165,856
	<b>\$438,356</b>	<b>\$438,356</b>

**Environmental**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company believes it conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on the property may be diminished or negated.

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**6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Trade payable	\$ 194,421	\$ 204,875
Accrual for accounting, audit and legal fees	21,000	24,363
	<b>\$ 215,421</b>	<b>\$ 229,238</b>

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Related parties or transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures". Related parties may enter into transactions which unrelated parties might not.

When considering each possible related party, not only their legal status is taken into account, but also the substance of the relationship between these parties.

During the nine months ended September 30, 2020 and 2019, there were no related party transactions.

**8. SHARE CAPITAL**

a) Authorized

Unlimited common shares without par value.

b) Share capital activity

As at September 30, 2020, the Company had issued and outstanding 13,454,245 common shares (December 31, 2019: 13,454,245).

The Company has neither warrants, options nor restricted share units outstanding as at September 30, 2020 and December 31, 2019.

c) Stock option plan

The Company has adopted a stock option plan (the "Option Plan"), which provides that the Board of Directors of the Company may, from time to time, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase common shares. The expiry date for each option shall be set by the Board of Directors at the time of issue. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue. The number of shares that may be reserved for issuance shall not exceed 10% of the total number of issued and outstanding shares of the Company.

## **8. SHARE CAPITAL (continued)**

### **d) Restricted share unit plan**

The Company has adopted a restricted share unit plan (the "RSU Plan"), which provides that the Board of Directors of the Company may, from time to time, grant to directors, officers, employees and technical consultants of the Company, non-transferable restricted share units. The expiry date for each restricted share unit shall be set by the Board of Directors at the time of issue. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue. The number of shares that may be reserved for issuance shall not exceed 10% of the total number of issued and outstanding shares of the Company. Upon vesting, the Company may choose to either issue one share for each vested restricted share unit, or pay cash amount equal to the fair market value of the vested restricted share unit.

## **9. CAPITAL MANAGEMENT**

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying 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 defines capital to include its share capital. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the periods ended September 30, 2020 and December 31, 2019. The Company is not subject to external restrictions on its capital.

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**(Unaudited)**

**10. FINANCIAL RISK MANAGEMENT**

	Ref.	September 30, 2020	December 31, 2019
		\$	\$
Other financial assets	a	9,368	36,373
Other financial liabilities	b	215,421	229,238

a. Comprises cash

b. Comprises accounts payable and accrued expenses

The fair values of the Company's financial instruments are not materially different from their carrying values due to their short-term nature.

**Management of Industry and Financial Risk**

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

***Credit risk***

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company endeavors to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand. The Company's accounts payable and accrued expenses generally have contractual maturities of less than 30 days and are subject to normal trade terms.

***Market Risk***

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

***Currency Risk***

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company is not exposed to significant currency risk.

## 11. FINANCIAL RISK MANAGEMENT (continued)

### ***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it has no interest bearing debt.

### ***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.