Condensed Interim
Financial Statements of

Mountain Lake Minerals Inc.
(Formerly 1167343 BC Ltd.)

For the quarter ended
May 31, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF THESE CONDENSED 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 condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Mountain Lake Minerals Inc. (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 condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

Mountain Lake Minerals Inc.
Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	Note	May 31, 2020	November 30, 2019
		$	
ASSETS			
Current assets			
Cash		-	-
Amounts receivable		550,000	-
Advance		17,200	-
		567,200	-
Exploration and evaluation assets	5	211,516	-
		778,716	**-**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		54,000	-
Notes payable	6	66,000	-
Loans payable	9	17,200	-
		137,200	-
SHAREHOLDERS' EQUITY			
Share capital	7	-	-
Share subscriptions	7	-	-
Contributed surplus	7	695,516	-
Deficit		(54,000)	-
		641,516	-
		778,716	**-**

Nature of business and going concern – Note 1
Commitment – Note 11

Approved and authorized for issue on behalf of the Board on July 29, 2020:

"Bill Fleming"
Director

"Paul Smith"
Director

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

Mountain Lake Minerals Inc.
Condensed Interim Statements of Comprehensive Loss
For the periods ended May 31, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended May 31,		Six months ended May 31,	
	2020	**2019**	**2020**	**2019**
	$	$	$	$
Expenses				
Management fees	54,000	-	54,000	-
Professional fees	-	-	-	-
Legal and accounting	-	-	-	-
Office and general	-	-	-	-
Travel and business development	-	-	-	-
Share transfer, listing and filing fees	-	-	-	-
Amortization	-	-	-	-
Net loss and comprehensive loss for the period	54,000	-	54,000	-
Loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding	71,531,644	-	71,531,644	-

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

Mountain Lake Minerals Inc.
Statements of Changes in Equity
For the periods ended May 31, 2020 and 2019
(Expressed in Canadian dollars)

	Note	Common shares		Share Subscriptions	Contributed Surplus	Deficit	Total
		#	$	$	$	$	$
Balance, November 30, 2018		**-**	**-**	**-**	**-**	**-**	**-**
RTO Shares issued		**-**	-	-	-	-	-
Net and comprehensive loss		-	-	-	-	-	-
Balance, May 31, 2019		**-**	**-**	**-**	**-**	**-**	**-**

	Note	Common shares		Share Subscriptions	Contributed Surplus	Deficit	Total
		#	$	$	$	$	$
Balance, November 30, 2019		**-**	**-**	**-**	**-**	**-**	**-**
RTO Shares issued		71,531,644	-	-	695,516	-	695,516
Net and comprehensive loss		-	-	-	-	(54,000)	(54,000)
Balance, May 31, 2020		71,531,644	**-**	**-**	**695,516**	**(54,000)**	**641,,516**

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

Mountain Lake Minerals Inc.
Statements of Cash Flows
For the periods ended May 31, 2020 and 2019
(Expressed in Canadian dollars)

	Six month Period Ended May 31, 2020	Six month Period Ended May 31, 2019
	$	
Cash used in		
Operating activities		
Net income (loss) for the period	(54,000)	-
Adjustments for:	-	-
Amortization	-	-
	-	-
Net change in non-cash working capital balances related to operations:		
Amounts receivable	-	-
Prepaid expenses	-	-
Accounts payable and accrued liabilities	54,000	-
Advances	-	-
	-	-
Investing activities		
Advances	-	-
Purchase of property and equipment	-	-
Exploration and evaluation assets	-	-
	-	-
Financing activities		
Subscriptions received	-	-
Loans received	-	-
	-	-
Change in cash	-	-
Cash - beginning	-	-
Cash - ending	**-**	**-**
Cash - ending:		
Cash	-	-
Restricted cash	-	-
	-	**-**
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

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

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Mountain Lake Minerals Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on June 7, 2018 as 1167343 BC Ltd. On May 14, 2020, the Company changed its name to Mountain Lake Minerals Inc.The address of the Company's head office is 1853 Sunken Lake Road, RR2, Wolfville, Nova Scotia, Canada, B4P 2R2. Its registered office is Suite 2080 - 777 Hornby Street, Vancouver, B.C., Canada, V6Z 1S4.

Pursuant to an Arrangement Agreement, the company's parent company transferred certain mineral properties and was suppose to transfer working capital of approximately $550,000 to the Company in exchange for the redemption of 71,531,644 held by the Company. The amount has been recorded in these financial statements as contributed surplus.

The Company is a junior exploration company exploring for precious and base metal deposits. Mountain Lake Mineral's current projects are located in the province of Newfoundland and Labrador, Canada (Note 5).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at May 31, 2020, the Company had not yet generated revenues and had an accumulated deficit of $54,000. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

NOTE 2 – BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 – Interim financial reporting.

The financial statements were authorized for issue by the Board of Directors on July 29, 2020.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments which are 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. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c) Functional and presentation currency

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates and judgments

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of revenues and expenses. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The more significant areas are as follows:

Critical accounting estimates

Estimate of recoverability for non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

i. Exploration and evaluation assets

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for the mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, exploration costs will be reclassified to mineral properties under exploration and subject to different accounting treatment. As at May 31, 2020, management had determined that no reclassification of exploration expenditures was required.

ii. Decommissioning liabilities

Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that existed during the year.

iii. Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's exploration and evaluation assets are impaired. External sources of information management consider includes changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mining interests. Internal sources of information management consider include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's exploration properties, management makes estimates of the discounted future pre-tax cash flows expected to be derived from the Company's exploration properties, and the appropriate discount rate.

iv. Income taxes

The assessment of deferred income tax assets and liabilities requires management to make judgments on whether or not the Company's deferred tax assets are probable to be recovered from future income. Management has determined that the recoverability of the Company's deferred tax assets is remote due to the history of losses. As a result no deferred income tax assets have been recognized as at February 29, 2020.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

b) Cash

Cash consisted of cash on hand and balances with banks.

c) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized as incurred as intangible assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study and a decision to proceed with development, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to resource property and development assets.

An impairment review of exploration and evaluation assets is performed, either individually or at the cash generating unit level, when there are indicators the carrying amount of the assets may exceed their recoverable amounts. To the extent this occurs, the excess is fully provided against the carrying amount, in the period in which this is determined.

Exploration and evaluation assets are reviewed for indicators of impairment on a regular basis and these costs are carried forward provided at least one of the following conditions is met:

- such costs are expected to be recovered through successful exploration and development of the area of interest or by its sale; or
- exploration and evaluation activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned in the future.

d) 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.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

Commissions paid to agents and other related share issue costs are charged directly to share capital.

e) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

f) Financial Instruments

Financial Assets

On initial recognition financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through profit and loss ("FVTPL"); and

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Fair value through other comprehensive income ("FVOCI").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company has classified its amount receivable and advances at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

h) Financial Instruments (continued)

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

The Company's doesn't have any assets classified at FVTPL.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

i. FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

ii. Amortized cost

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable, notes and loans payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

i) Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the date of grant. Fair value is measured using the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true-up for differences between expected and actual outcomes.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

j) Income Taxes

Income tax on profit or loss consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset would be recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k) Basic and Diluted Earnings (loss) per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings (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.

l) Decommissioning Liabilities

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value of the expected future cash flows. These costs are charged to the statement of loss over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the statement of loss. The liability is assessed at each reporting date for changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

n) Adoption of new standards – No new standards that impact the Company have been adopted during the period end May 31, 2020

NOTE 4 – FINANCIAL INSTRUMENTS

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, restricted cash, advances, accounts payable, notes payable and loans payable.

The fair value of cash and restricted cash are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The fair value of advances is determined to be "Level 3" as the amount relates to advances made concerning a definitive share purchase agreement; therefore, the inputs are unobservable (Note 9).

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of May 31, 2020, as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
May 31, 2020				
Cash	-	–	–	-
Restricted cash	-	–	–	-
Advances	–	–	-	-

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company's accounts payable are due within one year. The Company's notes and loans payable are due on demand. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at May 31, 2020, the Company has unrestricted cash of $nil to settle current liabilities of $137,200.

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

(Expressed in Canadian dollars)

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

	Grand Falls - Windsor	Little River	Total
	$	$	$
Balance, May 31, 2020	**211,516**	**-**	**211,516**

Grand Falls – Windsor, Newfoundland and Labrador, Canada

On October 30, 2017, the Company entered into an option agreement ("Agreement") with New Dawn Resources Inc. (the "Optionor") whereby the Company can acquire a 100% interest in the Grand Falls – Windsor property, a gold exploration property in the Central Newfoundland area of Newfoundland and Labrador consisting of 53 mineral claims under 2 licenses. As consideration, the Company is required to issue an aggregate 45,000 common shares, make $35,000 cash payment and incur accumulated exploration costs of $175,000 as follows:

	Number of common shares	Cash ($)	Exploration expenditures ($)
On closing date of the agreement (issued and paid)	5,000	10,000	-
On or before the first anniversary of the closing date	15,000	-	25,000
On or before the second anniversary of the closing date	25,000	-	50,000
On or before the third anniversary of the closing date	-	25,000	100,000
	45,000	**35,000**	**175,000**

Pursuant to the terms of the Agreement, the Company is required to issue additional 35,000 common shares if, prior to the third anniversary of the closing date, when the assay results from the exploration work showing that at least one rock of sample contains one or more than one ounce of gold per tonne.

The property is subject to a net smelter returns royalty ("NSR") of 1.5% of commercial production. The Company can purchase 1% of NSR for $1,500,000 at any time.

As at May 31, 2020, the Company is in violation of the Agreement as it is yet to issue the common shares due on or before the first anniversary of the closing date.

(Expressed in Canadian dollars)

NOTE 6 – NOTES PAYABLE

As part of the Plan of Arrangement described in Note 1, the Company assumed a Note Payable of $66,000. The Note Payable is non-interest bearing, unsecured and due on demand.

NOTE 7 – SHARE CAPITAL

Common shares

The Company's authorized capital consists of an unlimited numbers of common shares without par value. As at May 31, 2020, there were 71,531,644 issued and outstanding common shares.

Stock Options

The Company has a Stock Option Plan (the "Plan) which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

A summary of the Company's stock option activity for the period ended May 31, 2020 is as follows:

	May 31, 2020	
	Number of options	Weighted Average Exercise Price
		$
Outstanding, beginning of the year	-	-
Issued	7,153,164	0.10
Outstanding, end of the period	7,153,164	0.10

Warrants

A summary of the Company's warrant activity for the period ended May 31, 2020 is as follows:

	May 31, 2020	
	Number of options	Weighted Average Exercise Price
		$
Outstanding, beginning of the year	-	-
Issued	200,000	0.15
Issued	12,627,359	0.50
Outstanding, end of the period	12,827,359	0.50

The following is a summary of warrants outstanding as at May 31, 2020:

Number of warrants	Exercise Price	Expiry date
200,000	$0.15	April 6, 2021
12,627,359	$0.50	April 28, 2021

The weighted average useful life of the Company's outstanding warrants as at May 31, 2020 is 0.85 years.

NOTE 8 – RELATED PARTY TRANSLATIONS

Payments to key management personnel including the President and Chief Executive Officer, Chief Financial Officer, Directors and companies directly controlled by key management personnel are for salaries, consulting fees, management fees, or professional fees and are directly related to their position in the Company or to services provided to the Company.

Included in accounts payable and accrued liabilities are amounts owing to related parties totalling $17,200.

For the period ended May 31, 2020, key management personnel compensation was $54,000 (2019 - $nil) to directors of the Company for management fees.

Note 9 - LOAN PAYABLE

As at May 31, 2020, the principal amount of $17,200 bears interest at 20% per annum, is unsecured and due on demand. For the year ended May 31, 2020, no interest has been recorded for this loan.

NOTE 10 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. As at May 31, 2020, the Company had a working capital deficiency of $430,000 (2019 - $Nil).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing, primarily equity financing, to fund its activities. There can be no assurance that the Company will be able to continue to raise capital in this manner. To carry out the planned exploration and fund administrative costs, the Company will utilize its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and business opportunities and seek to acquire an interest in additional properties or businesses if it believes there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

The Company generally invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid financial instruments, such as cashable guaranteed investment certificates, held with a major Canadian financial institution.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

NOTE 11 – COMMITTMENT

The Company is committed to certain cash payments, common share issuances and exploration expenditures as descried in note 5.