

**SOLDERA MINING CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended August 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these 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 Company for the three months ended August 31, 2020 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**SOLDERA MINING CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
As at August 31, 2020 and May 31, 2020  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<b>August 31, 2020</b>	<b>May 31, 2020</b>
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 456,755	\$ 531,516
Amounts receivable	6,354	2,334
	<u>463,109</u>	<u>533,850</u>
Exploration and evaluation assets (Note 5)	40,000	40,000
	<u>\$ 503,109</u>	<u>\$ 573,850</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 37,978	\$ 12,750
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	420,500	420,500
Special warrants (Notes 6 and 10)	216,450	216,450
Deficit	(171,819)	(75,850)
	<u>465,131</u>	<u>561,100</u>
	<u>\$ 503,109</u>	<u>\$ 573,850</u>

Going concern (Note 2)  
Commitments (Notes 5 and 6)  
Subsequent events (Note 10)

APPROVED ON BEHALF OF THE BOARD:

“Faizaan Lalani” Director  
Faizaan Lalani

“Robert Baxter” Director  
Robert Baxter

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SOLDERA MINING CORP.****CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three months ended August 31, 2020 and

for the period from December 3, 2019 (date of incorporation) to May 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	<b>For the three months ended August 31, 2020</b>	<b>Period from December 3, 2019 to May 31, 2020</b>
Administrative expenses		
Consulting fees (Note 7)	\$ 7,500	\$ 30,000
Filing fees	9,315	-
General exploration cost	8,041	12,000
Marketing	36,000	-
Office and general	4,626	858
Share-based payments (Notes 6 and 7)	-	15,000
Professional fees	30,487	17,992
Net loss and comprehensive loss for the period	\$ (95,969)	\$ (75,850)
Basic and diluted loss per share	(0.00)	\$ (0.00)
Weighted average number of common shares outstanding (Note 10)	28,000,002	17,260,558

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SOLDERA MINING CORP.****CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the three months ended August 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	<b>Number of Shares</b>	<b>Capital Stock</b>	<b>Special Warrants</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
Balance, December 3, 2019	1	\$ -	\$ -	\$ -	\$ -
Share issuances					
Private placement (Note 6)	1,000,000	20,000	-	-	20,000
Private placement (Note 6)	10,025,000	200,500	-	-	200,500
Private placement (Note 6)	4,000,000	200,000	-	-	200,000
Special warrants received (Note 6)	-	-	216,450	-	216,450
Net loss for the period	-	-	-	(75,850)	(75,850)
<b>Balance, May 31, 2020</b>	<b>15,025,001</b>	<b>\$ 420,500</b>	<b>\$ 216,450</b>	<b>\$ (75,850)</b>	<b>\$ 561,100</b>
Balance, May 31, 2020	15,025,001	\$ 420,500	\$ 216,450	\$ (75,850)	\$ 561,100
Net loss for the period	-	-	-	(95,969)	(95,969)
<b>Balance, August 31, 2020</b>	<b>15,025,001</b>	<b>\$ 420,500</b>	<b>\$ 216,450</b>	<b>\$ (171,819)</b>	<b>\$ 465,131</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SOLDERA MINING CORP.****CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

For the three months ended August 31, 2020 and

for the period from December 3, 2019 (date of incorporation) to May 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	<b>For the three months ended August 31, 2020</b>	<b>Period from December 3, 2019 to May 31, 2020</b>
Operating Activities		
Net loss for the period	\$ (95,969)	\$ (75,850)
Items not affecting cash:		
Share-based payments	-	15,000
Changes in non-cash working capital items related to operations:		
Amounts receivable	(4,020)	(2,334)
Accounts payable and accrued liabilities	25,228	12,750
Cash used in operating activities	(74,761)	(50,434)
Investing Activity		
Mineral property acquisition	-	(40,000)
Cash used in investing activity	-	(40,000)
Financing Activities		
Shares issued for cash	-	405,500
Special warrants issued for cash	-	216,450
Cash provided by financing activities	-	621,950
Change in cash during the period	(74,761)	531,516
Cash and cash equivalents, beginning of period	531,516	-
Cash and cash equivalents, end of the period	\$ 456,755	\$ 531,516
Cash and cash equivalents consist of:		
Cash	\$ 435,341	\$ 525,179
Cash held in trust	21,414	6,337
	\$ 456,755	\$ 531,516
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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## **SOLDERA MINING CORP.**

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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### **1. CORPORATE INFORMATION**

Soldera Mining Corp. (the “Company”) is a mineral property exploration company that is planning an initial public offering (“IPO”) of its shares and intends to list on a Canadian securities exchange. On September 18, 2020, the Company received conditional approval from the Canadian Securities Exchange (“CSE”) for the listing of its common shares on the CSE and on October 6, 2020, commenced trading on the CSE under the symbol “SOLD”.

The Company has an option agreement to earn an interest in a mineral property located in the Klotz Lake Area located in Northwestern Ontario (Note 5) and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of the carrying amount from the property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

The Company was incorporated on December 3, 2019 in British Columbia. The head office, principal address and records office of the Company are located at 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. The Company’s registered address is located at 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6.

### **2. BASIS OF PREPARATION**

#### **(a) Statement of Compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on October 30, 2020.

#### **(b) Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

## **SOLDERA MINING CORPORATION**

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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### **2. BASIS OF PREPARATION – (cont'd)**

#### **(c) Going Concern**

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At August 31, 2020, the Company has not achieved profitable operations, has accumulated losses of \$171,819 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

There was a global pandemic outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at May 31, 2020.

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

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. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

#### **Critical judgments in applying accounting policies**

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:



## **SOLDERA MINING CORPORATION**

Notes to the Condensed Interim Financial Statements

August 31, 2020

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### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS – (cont'd)**

#### **Exploration and Evaluation Asset and Impairment**

The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized expenditures 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 profit or loss in the year the new information becomes available.

#### **Going Concern**

The assessment of the Company's ability to continue as a going concern require significant judgement. See Note 2(c).

#### **Title to Mineral Property Interests**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

### **5. EXPLORATION AND EVALUATION ASSETS**

By a mineral property option agreement dated May 7, 2020, the Company may acquire up to a 100% interest in the Klotz Lake Property. This property consists of 34 mineral tenures and is located in the Klotz Lake Area Northwestern Ontario. As consideration the Company will pay cash of \$140,000, issue 900,000 common shares of the Company and incur \$360,000 in exploration expenditures as follows:

- a) Cash payment of \$40,000 within seven days of signing of the Agreement (Paid);
- b) Incur a minimum of \$110,000 in exploration expenditures within the first year from the agreement date (May 7, 2021);
- c) Cash payment of \$40,000 and issuance of 300,000 common shares of the Company on or before the first anniversary of the listing of the Company on a Canadian securities exchange; and
- d) Cash payment of \$60,000, issuance of 600,000 common shares of the company and incur a minimum of \$250,000 of exploration expenditures on or before the second anniversary date of the agreement.

Should the Company acquire 100% of the property the optionor will retain a 2% Net Smelter Returns ("NSR") royalty. 1% of this royalty may be purchased by the Company for \$500,000.

### **6. SHARE CAPITAL**

#### **(a) Authorized**

Unlimited common shares with no par value.

## SOLDERA MINING CORPORATION

Notes to the Condensed Interim Financial Statements

August 31, 2020

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### 6. SHARE CAPITAL – (cont'd)

#### (b) Issued

There were no shares issued during the three months ended August 31, 2020.

During the period ended May 31, 2020:

On December 3, 2019, the Company issued 1 common share for total proceeds of \$0.10.

On December 16, 2019, the Company issued 1,000,000 common shares at \$0.005 per share for total proceeds of \$5,000 and recognized a share-based payment of \$0.015 per share for a total of \$15,000. The 1,000,000 common shares will be held in escrow upon the completion of the IPO share.

On February 3, 2020, the Company issued 10,025,000 common shares at \$0.02 per share for total proceeds of \$200,500.

On February 24, 2020, the Company issued 4,000,000 units at \$0.05 per unit for total proceeds of \$200,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at \$0.10 per share expiring two years from the date the Company's shares commence trading on a Canadian securities exchange.

#### (c) Share Purchase Warrants

The changes in warrants were as follows:

	August 31, 2020	Weighted Average Exercise Price	May 31, 2020	Weighted Average Exercise Price
Balance, beginning of period	4,000,000	\$0.10	-	\$0.00
Issued	-	-	4,000,000	\$0.10
Balance, end of period	4,000,000	\$0.10	4,000,000	\$0.10

As at August 31, 2020, the Company had 4,000,000 share purchase warrants outstanding as follows:

Outstanding	Exercise Price	Expiry Date
4,000,000	\$0.10	October 6, 2022
4,000,000		

## SOLDERA MINING CORPORATION

Notes to the Condensed Interim Financial Statements

August 31, 2020

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### 6. SHARE CAPITAL – (cont'd)

#### (d) Escrow Shares

Pursuant to an escrow agreement dated September 22, 2020, an aggregate of 1,025,000 common shares will be placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date. Consequently, these shares have been excluded from the basic and diluted loss per share and weighted average number of shares outstanding calculation.

#### (e) Special Warrants

On May 29, 2020, the Company issued an aggregate of 2,164,494 Special Warrants at a price of \$0.10 per Special Warrant and received gross proceeds of \$216,450. Each Special Warrant entitles the holder to acquire, without further payment, one unit. Each unit will be comprised of one common share of the Company and one warrant, exercisable into one common share of the Company at an exercise price of \$0.20 for two years from the date the Company's shares commence trading on a Canadian securities exchange. (See Note 10).

### 7. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

		<b>For the three months ended August 31, 2020</b>	<b>Period from December 19, 2019 to May 31, 2020</b>
Consulting fees	Mark Ireton, Director, President and CEO	\$ -	\$ 5,000
	Robert Krause, Director	-	5,000
	Arthur Brown, Director	-	5,000
		-	15,000
Share-based payments	Faizaan Lalani, Director and CFO		7,500
	Mark Ireton, President and CEO	-	7,500
		-	15,000
		\$ -	\$ 30,000

### 8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject to. Capital of the Company comprises of cash and cash equivalents and shareholders' equity.

## **SOLDERA MINING CORPORATION**

Notes to the Condensed Interim Financial Statements

August 31, 2020

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### **8. CAPITAL MANAGEMENT – (cont'd)**

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the period ended August 31, 2020.

### **9. FINANCIAL INSTRUMENTS AND RISKS**

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at August 31, 2020, the Company had a working capital of \$425,131.

#### **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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Notes to the Condensed Interim Financial Statements

August 31, 2020

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### **9. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)**

#### **Interest rate risk**

The Company is not exposed to significant interest rate risk.

#### **Price risk**

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

#### **Credit Risk**

Financial instruments that potentially expose the Company to credit risk is cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

#### **Fair Values**

The Company's financial instruments include cash and cash equivalents and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals. The fair value of these financial instruments approximates their carrying value under the effective interest method.

#### **Fair Value Hierarchy**

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## **SOLDERA MINING CORPORATION**

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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### **10. SUBSEQUENT EVENTS**

In July 2020, the Company filed its preliminary prospectus to qualify the distribution of 2,164,494 Special Warrants at a price of \$0.10 per Special Warrant for total gross proceeds of \$216,450 which were issued by the Company on May 29, 2020. Each Special Warrant entitles the holder to acquire, without further payment, one unit. Each unit will be comprised of one common share of the Company and one warrant, exercisable into one common share of the Company at an exercise price of \$0.20 for two years from the date the Company's shares commence trading on a Canadian securities exchange. Each Special Warrant will automatically convert at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the date on which a receipt for a final prospectus to qualify the distribution of the units is received by the Company from the British Columbia Securities Commission; and (b) one year from the issuance date. On September 18, 2020, the Company received conditional approval from the Canadian Securities Exchange ("CSE") for the listing of its common shares on the CSE and on October 6, 2020, commenced trading on the CSE under the symbol "SOLD". On October 6, 2020, 2,164,494 Special Warrants were converted into 2,164,494 units.

During the month of October 2020, the Company issued 19,000 common shares pursuant to the exercise of 14,000 share purchase warrants for total proceeds of \$3,800.

On October 21, 2020, the Company announced a forward stock split on the basis of 2 new for 1 old effective October 26, 2020, accordingly, weighted average number of common shares have been adjusted to reflect the forward stock split. As at October 30, 2020, total outstanding number of shares after the forward stock split was 34,416,990.