BLACK SHIELD
METALS CORP.

(AN EXPLORATION STAGE COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited 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 consolidated financial statements of Black Shield Metals Corp. (Black Shield" or the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

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

BLACK SHIELD
METALS CORP.

INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	As at February 28, 2021 (Unaudited)	As at May 31, 2020 (Audited)
		$	$
ASSETS			
Current Assets			
Cash		14,204	68,048
Prepaid expenses and other	4	11,189	10,012
		25,393	78,060
Exploration and evaluation assets	5	20,000	20,000
TOTAL ASSETS		45,393	98,060
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	6	47,578	63,775
Liabilities		47,578	63,775
Shareholders' Equity			
Share capital	7	87,100	87,100
Deficit		(89,285)	(52,815)
		(2,185)	34,285
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		45,393	98,060

Nature of operations and going concern (note 1)
Subsequent event (note 11)

Approved on behalf of the Board of Directors

”Kevin Ma”	”Desmond Balakrishnan”
Director	Director

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

BLACK SHIELD
METALS CORP.

INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, Expressed in Canadian Dollars)

		Three Months ended		Nine Months ended	
	Note	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
		$	$	$	$
OPERATING EXPENSES					
Exploration and evaluation costs	5	-	-	770	-
Filing fees		1,313	-	17,353	-
Office and administration		804	-	2,249	-
Professional fees		7,586	-	12,964	-
Travel and entertainment		-	-	3,134	-
		9,703	-	36,470	-
NET AND COMPREHENSIVE LOSS		(9,703)	-	(36,470)	-
BASIC AND DILUTED LOSS PER SHARE		(0.00)	-	(0.01)	-
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		3,300,001	1	2,784,383	1

BLACK SHIELD
METALS CORP.

INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited, Expressed in Canadian Dollars)

	Common Shares			
	Number of shares	**Amount**	**Accumulated Deficit**	**Total**
		$	**$**	**$**
Balance at May 31, 2018	**1**	**100**	**-**	**100**
Comprehensive loss for the period	-	-	-	-
Balance at February 29, 2020	**1**	**100**	**-**	**100**
Balance at May 31, 2020	**3,300,001**	**87,100**	**(52,815)**	**45,535**
Comprehensive loss for the period	-	-	(36,470)	(36,470)
Balance at February 28, 2021	**3,300,001**	**87,100**	**(89,285)**	**9,065**

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

BLACK SHIELD METALS CORP.

INTERIM STATEMENTS OF CASH FLOWS
(Unaudited, Expressed in Canadian Dollars)

	Nine Months ended	
	February 28, 2021	**February 29, 2020**
	$	**$**
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss	(36,470)	-
Changes in non-cash working capital items:		
Prepaid expenses and other	(1,177)	-
Trade payables and accrued liabilities	(16,197)	-
Cash used in operating activities	(53,844)	-
Change in cash during the period	(53,844)	-
Cash – beginning of period	68,048	-
Cash – end of period	14,204	-
Supplemental Cash Flow Information		
Income tax paid	-	-
Interest paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Black Shield Metals Corp. ("BSM" or the "Company") is incorporated on October 13, 2017 under the British Columbia Corporations Act of the Province of British Columbia. The Company changed its name from ZP Mining Inc. to Black Shield Metals Corp. on February 7, 2020.

The address of the Company and the registered and records office is 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. As at February 28, 2021, the Company has not yet determined whether its property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. As at February 28, 2021, it had an accumulated deficit of $89,285, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing sufficient to cover its operating costs.

Although management is currently seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

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, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

Statement of Compliance and Basis of Presentation

The 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") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 – Interim Financial Reporting.

These condensed interim financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company's most recent annual financial statements for the year ended May 31, 2020, which were prepared in accordance with IFRS as issued by IASB.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company's most recent audited financial statements for the year ended May 31, 2020.

The preparation of financial statements in conformity with IFRS also requires management to make estimates and judgments that may have a significant impact on these condensed interim financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future estimates. The critical accounting judgments and estimates were presented in the Company's most recent audited financial statements for the year ended May 31, 2020 and are the same as those applied for the period ending February 28, 2021.

The financial statements were approved and authorized for issuance by the Board of Directors on April 19, 2021.

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional and presentation currency of the Company is the Canadian dollar.

2. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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 income 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.

2. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Areas requiring a significant degree of estimation and judgment relate to the estimated useful lives and depreciation and amortization of equipment, fair value measurements for financial instruments and the valuation of share-based payments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from these estimates and judgments.

Critical Judgments

The following are critical judgments that management has made in the process of applying policies that have the most significant effect on the amount recognized in the financial statements:

Going Concern

The assessment of the Company's ability to continue as a going concern involves critical judgment based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1.

Impairment of Exploration and Evaluation Assets

The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

Management reviews the carrying values of its mining claims on at least an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's exploration and evaluation assets may not be recoverable and there is a risk that these costs may be written down in future periods.

Management reviewed exploration and evaluation assets for the years ended May 31, 2020 and 2019, and during the year ended May 31, 2019, the Company impaired a property acquired in 2018 (see Note 5).

3. ACCOUNTING PRONOUNCEMENTS

In October 2018, the IASB issued amendments to IFRS 3, Definition of a Business that narrowed and clarified the definition of a business. The amendments permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments are effective January 1, 2020 with earlier adoption permitted. The amendments apply to business combinations after the date of adoption. The Company adopted the amendments on June 1, 2020 and this standard had no material impact on the financial statements.

(Unaudited, Expressed in Canadian Dollars)

3. ACCOUNTING PRONOUNCEMENTS (continued)

In October 2018, the IASB issued amendments to IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments make minor changes to the definition of the term "material" and align the definition across all IFRS Standards. Materiality is used in making judgments related to the preparation of financial statements. The amendments are effective January 1, 2020 with earlier adoption permitted. The Company adopted the amendments on June 1, 2020 and this standard had no material impact on the financial statements.

New Accounting Pronouncements
A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended February 28, 2021, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. PREPAID EXPENSES AND OTHER

	February 28, 2020	May 31, 2020
	$	$
Prepaid expenses	10,000	10,000
Other	1,189	12
	11,189	**10,012**

5. EXPLORATION AND EVALUATION ASSETS

Acquisition expenditures for the period ended February 28, 2021 and for the year ended May 31, 2020 are as follows:

	CHG
	$
Balance at May 31, 2019	-
Acquisition cost	20,000
Balance, February 28, 2021 and May 31, 2020	**20,000**

Exploration and evaluation costs for the period ended February 28, 2021 was $770 (February 29, 2020 - $nil).

CHG Project (BC, Canada)

On March 23, 2020, the Company entered into an option agreement (the "Agreement") with Cariboo Rose Resources Ltd. ("CRR"), an unrelated company. Under the terms of the Agreement, the Company can earn a 60% interest and up to 10% additional interest in CRR's carbonate hosted gold

(Unaudited, Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

("CHG") project. Upon the exercise of the option, the parties will be deemed to have established a joint venture in relation to the property.

Under the terms of the Agreement, the Company is required to make payments and incur the minimum required expenditures in accordance to the following payment schedule:

Payment Period	Expenditures	Cash Payment
	$	**$**
Closing Date (paid)	-	20,000
On or before October 29, 2021	100,000	30,000
On or before October 29, 2022	200,000	30,000
On or before October 29, 2023	300,000	70,000
On or before October 29, 2024	400,000	70,000
On or before October 29, 2025	500,000	80,000
Total	**1,500,000**	**300,000**

At the option of the Company, any of the cash payments noted above or below for the additional interest may be satisfied by the issuance of common shares of the Company.

In order to obtain the additional 10% interest, the Company must do the following:

- pay $100,000 within 60 days of exercising the option;
- commission a feasibility study within 60 days of exercising the option; the feasibility study is to be completed within 24 months following the exercise of the option;
- pay $200,000 on or before October 29, 2026; and
- pay $200,000 on or before October 29, 2027.

The property is subject to a 0.5% net smelter royalty on commercial production from the mineral claims.

During the year ended May 31, 2018, the Company entered into a property option agreement ("Option Agreement") with CRR. On October 4, 2018, the Company signed a Quit Claim for the Option Agreement, and as a result the Company provided for an impairment charge of $20,000. The Agreement described above was for the same property as the Option Agreement.

(Unaudited, Expressed in Canadian Dollars)

6. TRADE PAYABLES AND ACCRUED LIABILITIES

	February 28, 2021	May 31, 2020
	$	$
Trade payables	28,579	15,248
Accrued liabilities	7,749	37,277
Other payables	11,250	11,250
	47,578	**63,775**

During the year ended May 31, 2020, the Company received $11,250 in advanced of a proposed private placement offering. During the period ended February 28, 2021, the Company proceeded with its IPO offering therefore the proposed private placement offering did not take place. As a result, the $11,250 was refundable back to the investor.

7. SHARE CAPITAL

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued Share Capital

On April 20, 2020, the Company issued 2,600,000 common shares at a price of $0.02 for gross proceeds of $52,000 (see Note 8).

On May 15, 2020, the Company issued 700,000 common shares at a price of $0.05 for gross proceeds of $35,000 (see Note 8).

8. RELATED PARTY TRANSACTIONS

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

During the three and nine months ended February 28, 2021, there was no related party transaction.

During year ended May 31, 2020, certain key management and directors of the Company subscribed to a private placement consisting of 700,000 common shares priced at $0.02 for gross proceeds of $14,000 (see Note 7).

During year ended May 31, 2020, certain key management and directors of the Company subscribed to a private placement consisting of 300,000 common shares priced at $0.05 for gross proceeds of $15,000 (see Note 7).

(Unaudited, Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities
Information regarding the Company's financial assets and liabilities as at February 28, 2021 and May 31, 2020 is summarized as follows:

	February 28, 2021	May 31, 2020
	$	$
Financial Assets		
FVTPL		
Cash	14,204	68,048
Financial Liabilities		
At amortized cost		
Trade payable	28,579	15,248

Financial Instrument Risk Exposure

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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 or indirectly;

Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

Cash is classified as Level 1. The carrying balance of trade payables approximate their fair value due to their short-term nature.

The Company's financial instruments expose it to a variety of financial risk: market risk (including price risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is

9. FINANCIAL INSTRUMENTS (continued)

Financial Instrument Risk Exposure (continued)

carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units.

The Company's overall risk management program seeks to minimize potential effects on the Company's financial performance, in the context of its general capital management objectives (Note 10).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The Company manages credit risk on liquid financial assets through maintaining its cash with high quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 10.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operations and capital requirements through operating cash flows, as well as future equity and debt financing. As at February 28, 2021, the Company did not have sufficient cash ($14,204) to settle current liabilities of $36,328. The Company's financial liabilities include trade payables which have contractual maturities of 30 days or are due on demand.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash. The interest rate risk on cash is not considered significant due to its short term nature and maturity.

10. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds for the exploration and development of the CHG project. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

11. SUBSEQUENT EVENT

(a) Subsequent to February 28, 2021, the Company is in the completed of listing with the Canadian Securities Exchange ("CSE") and an initial public offering ("IPO") of common shares in the capital of the Company.

The Company retained Haywood Securities Inc. (the "Agent") to solicit subscriptions for minimum offering of 4,000,000 common shares for aggregate gross proceeds of $400,000 and up to a maximum offering amount of 5,000,000 common shares for aggregate proceeds of $500,000, at a price of $0.10 per common share. The Company has also agreed to grant the Agent an over-allotment option (the "Over-Allotment Option") which will entitle the Agent to purchase up to 750,000 common shares (the "Over-Allotment Shares") at the Issue Price per Over-Allotment Share, at the discretion of the Agent for a period of 48 hours prior to the closing of the IPO (the "Closing") assuming that the Maximum Offering is achieved. The Company has agreed to pay the Agent a cash commission of 10% of the gross proceeds raised under the IPO. The Company will also issue to the Agent, warrants (the "Agent's Warrants") entitling the Agent to purchase that number of common shares (the "Agent's Warrant Shares") that is equal to 10% of the number of common shares sold and issued under the IPO. Each Agent's Warrant entitles the holder to purchase one Agent's Warrant Share at the Issue Price for a period of 24 months following the Closing. The Company shall also pay the Agent a corporate finance fee of $35,000 (of which $10,000 has already been paid) and expenses plus taxes, incurred pursuant to the IPO.

On April 8, 2021, the Company closed its IPO with an issuance of 5,750,000 shares, including 750,000 shares issued pursuant to the exercise of Over-Allotment Option, at a price of $0.10 per share for gross proceeds of $575,000.

In addition, the Company paid $57,500 as cash commission and $35,000 as corporate finance fee to the Agent, and issued 57,500 Agent's Warrants at a price of $0.10 until April 8, 2023. The Agent exercised its over-allotment option in full, pursuant to which it arranged for purchasers of 750,000 shares.

11. SUBSEQUENT EVENT (continued)

(b) On April 12, 2021, the Company granted an aggregate of 310,000 stock options to the directors and officers of the company to purchase 310,000 common shares in the capital of the company pursuant to the company's share option plan. The options are exercisable at an exercise price of 10 cents per share for a period of 10 years from the date of grant.