



Condensed Interim Financial Statements of

**BURRELL RESOURCES INC.**

For the three and six months ended June 30, 2021 and 2020  
Expressed in Canadian Dollars  
(Unaudited)

**Notice of no Auditor review of Interim Financial Statements**

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements 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 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.

**Statements of Condensed Interim Financial Position  
(Unaudited, expressed in Canadian dollars)**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	118,200	162,353
Deferred financing cost (Note 6)	81,580	-
Prepays	15,000	6,012
Sales tax receivable	1,346	510
	<u>216,126</u>	<u>168,875</u>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 4)	49,483	37,320
<b>Total Assets</b>	<u>265,609</u>	<u>206,195</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	68,460	11,394
	<u>68,460</u>	<u>11,394</u>
<b>Shareholders' Equity</b>		
Capital stock (Note 6)	231,840	209,840
Deficit	(34,691)	(15,039)
	<u>197,149</u>	<u>194,801</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>265,609</u>	<u>206,195</u>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)  
SUBSEQUENT EVENT (Note 10)

Approved and authorized by the Board for issuance on July 26, 2021:

"N. Ross Wilmot"

\_\_\_\_\_  
N. Ross Wilmot

"Patrick McGrath"

\_\_\_\_\_  
Patrick McGrath

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

**BURRELL RESOURCES INC.****Condensed Interim Statements of Operations and Comprehensive Loss  
(Unaudited, expressed in Canadian dollars)**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>				
Professional fees	6,664	658	8,110	1,186
Transfer agent and filing fees	2,199	-	6,889	-
Shareholder communications	553	-	2,053	-
Administrative and office	810	15	1,500	184
Consulting	1,100	-	1,100	-
	<b>11,326</b>	<b>673</b>	<b>19,652</b>	<b>1,370</b>
<b>Loss and comprehensive loss</b>	<b>11,326</b>	<b>673</b>	<b>19,652</b>	<b>1,370</b>
<b>Basic and diluted weighted average number of shares outstanding</b>	<b>12,522,601</b>	<b>3,700,000</b>	<b>12,796,355</b>	<b>3,700,000</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>

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

**BURRELL RESOURCES INC.**  
**Condensed Interim Statement of Changes in Shareholders' Equity**  
**(Expressed in Canadian dollars)**  
**For the six months ended June 30,**

	Number of common shares	Capital Stock	Deficit	Total
<b>Balance, January 1, 2020</b>	<b>3,700,100</b>	<b>\$ 18,500</b>	<b>\$ (1,566)</b>	<b>\$ 16,934</b>
Loss for the period	-	-	(1,370)	(1,370)
<b>Balance, June 30, 2020</b>	<b>3,700,100</b>	<b>\$ 18,500</b>	<b>\$ (2,936)</b>	<b>\$ 15,564</b>
<b>Balance, January 1, 2021</b>	<b>13,067,100</b>	<b>\$ 209,840</b>	<b>\$ (15,039)</b>	<b>\$ 194,801</b>
Cash from re-pricing of common shares issued in 2019 (Note 6)	-	37,000	-	-
Cancellation of common shares issued in 2019 (Note 6)	(1,000,100)	(15,000)	-	-
Loss for the period	-	-	(19,652)	(19,652)
<b>Balance, June 30, 2021</b>	<b>12,067,000</b>	<b>\$ 231,840</b>	<b>\$ (34,691)</b>	<b>\$ 197,149</b>

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

**BURRELL RESOURCES INC.**  
**Condensed Interim Statements of Cash Flows**  
**(Unaudited, expressed in Canadian dollars)**  
**For the six months ended June 30,**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net loss for the period	(19,652)	(1,370)
Net change in non-cash working capital		
Change in deferred financing cost	(81,580)	-
Change in sales tax receivables	(836)	(19)
Change in prepaids	(8,988)	(5,000)
Change in accounts payable and accrued liabilities	57,066	1,240
Net cash used in operating activities	(53,990)	(5,149)
<b>Investing activities</b>		
Proceeds from re-pricing common shares	22,000	-
Net cash used in financing activities	22,000	-
<b>Investing activities</b>		
Payment for mineral property activities	(12,163)	-
Net cash used in investing activities	(12,163)	-
<b>Increase in cash</b>	(44,153)	(5,149)
<b>Cash - beginning of period</b>	162,353	18,498
<b>Cash - end of period</b>	118,200	13,349
<b>Supplemental cash flow information</b>		
Cash paid for interest	\$ -	\$ -
Cash received for interest	-	-
Cash paid for taxes	-	-

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

## 1. Nature of Operations and Going Concern

Burrell Resources Inc. (the "Company") is a company focused on the exploration of mineral assets.

The Company was incorporated on December 17, 2019 pursuant to the Business Corporations Act of British Columbia. The registered address office of the Company is located at 750 West Pender Street, Suite 1200, Vancouver BC, V6C 2T8.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. These financial statements do not include adjustments or disclosures that may result from the Company's inability to continue as a going concern. If the Company is unable to continue as a going concern, adjustments may be necessary in the carrying value of assets and liabilities, the reported net losses and statement of financial position classifications used, and such adjustments could be material.

The Company has not yet realized profitable operations, has relied on non-operational sources of financing to fund operations, has an accumulated deficit of \$34,691 (December 31, 2020 - \$15,039) and has working capital of \$66,086 as at June 30, 2021 (December 31, 2020 - \$157,481). These conditions cast significant doubt on the validity of the going concern assumption. The Company's ability to continue as a going concern is dependent on its ability to obtain the necessary financing and to ultimately generate profitable operations. The Company must secure additional financing to fund its operations.

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. 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.

## 2. Basis of Presentation

### **Statement of compliance**

These condensed interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standards Board ("IASB"). The condensed interim financial statements have been prepared in conformity with IAS 34 *Interim Financial Reporting* and do not include all the information required for full annual financial statements in accordance with IFRS and should be read in conjunction with the audited financials for the year ended December 31, 2020.

### ***Critical accounting judgments, estimates and assumptions***

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. 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.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

***Critical accounting judgment***

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

***Key sources of estimation uncertainty***

Exploration and evaluation assets

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

**3. Significant Accounting Policies**

These condensed interim financial statements are prepared in accordance with IFRS and follow the same accounting policies and methods of their application as in the most recent audited financial statements for the year ended December 31, 2020. These financial statements should be read in conjunction with those financial statements.

**4. Exploration and evaluation assets**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mineral properties. The Company has investigated title to its mineral properties, to the best of its knowledge, title to the mineral property assets remains in good standing.

Antelope Project, Nevada, United States

**The antelope project consists of two contiguous property option agreements.**

*Antelope I*

**BURRELL RESOURCES INC.****NOTES TO the Condensed Interim FINANCIAL STATEMENTS**

June 30, 2021 and 2020

On August 13, 2020, and amended on December 11, 2020, the Company entered into the Antelope Option Agreement, pursuant to which the Company agreed to lease a 100% interest in certain surface and mineral rights situated in the Antelope area, in White Pine County, Nevada ("Antelope I") in consideration of the following:

- (i) US\$3,550 on or before August 31, 2020 (paid);
- (ii) US\$10,000 on or before August 31, 2020 (paid);
- (iii) US\$12,000 on or before November 30, 2022;
- (iv) US\$17,000 on or before November 30, 2023;
- (v) US\$22,000 on or before November 30, 2024; and
- (vi) US\$26,000 on or before November 30, 2025 and on each anniversary date thereafter until the claims are in production;

Pursuant to the Antelope I agreement, the property owner also agreed to grant to the Company an option to acquire the property, prior to production on the property, in consideration for US\$750,000.

As further consideration for the lease, the Company will pay to the property owner a net smelter return ("NSR") between 1.5% and 2.5% dependent on the price of gold (US\$1,250 to US \$1,750 per ounce), provided that the Company may re-purchase the NSR in consideration for US\$750,000.

*Antelope II*

On November 2, 2020, and amended on January 11, 2021, the Company entered into a second Antelope Option Agreement to further consolidate its position in the Antelope area ("Antelope II"). The Company agreed to lease a 100% interest in certain surface and mineral rights in consideration as follows:

- (vii) US\$2,500 on signing (paid);
- (viii) Completing a 43-101 technical report by May 2, 2021 (completed)
- (ix) US\$10,000 and \$10,000 in common shares of the Company's stock divided by the weighted average of the last 10 trading days on or before November 2, 2022;
- (x) US\$15,000 on or before November 2, 2023;
- (xi) US\$20,000 on or before November 2, 2024;
- (xii) US\$25,000 on or before November 2, 2025; and
- (xiii) US\$30,000 on or before each anniversary date thereafter until the claims are in production;

Pursuant to the Antelope II agreement, the property owner also agreed to grant to the Company an option to acquire the property, prior to production on the property, in consideration for US\$4,000,000.

As further consideration for the lease, the Company will pay to the property owner a NSR between 2% and 3% dependent on the price of gold (US\$1,000 to US\$2,500 per ounce), provided that the Company may re-purchase half the NSR in consideration for US\$750,000.

Total expenditures for the six months ended June 30, 2021 were as follows:

	Antelope
Balance, January 1, 2020	\$ -
Additions:	
Property acquisitions costs	23,760
Technical report	8,560
Data acquisition (Note 6(a))	5,000
Balance, December 31, 2020	\$ 37,320
Additions:	
Technical report	12,163
Balance, June 30, 2021	\$ 49,483



## 5. Financial Instruments

Financial instruments recognized on the statement of financial position consist of cash, sales tax receivable, accounts payable and accrued liabilities.

The carrying amounts on the statement of financial position for sales tax receivable, accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturities of these financial instruments.

The Company's other financial instruments, cash, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets.

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at June 30, 2021:

### (a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and sales tax receivable. The Company limits its exposure to credit risk by placing its cash with high quality financial institutions. The Company's sales tax receivable consist of input tax credit refunds from the federal government and as such, the Company believes the risk to be minimal.

### (b) Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign exchange risk on its cash and accounts receivable or its obligations under accounts payable and accrued liabilities.

### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. As at June 30, 2021, the Company had working capital of \$66,086 including cash of \$118,200 to settle current liabilities of \$68,460.

The Company plans to seek an additional equity to fund its general working capital over the next twelve months. There can be no assurance that any additional financing will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs until the Company acquires an operating business or achieves positive cash flow.

### d) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to any significant interest rate risk.

### (e) Price risk

The Company is exposed to price risk with respect to 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. The Company occasionally maintains certain investments in marketable securities which are measured at fair value, being the closing price of each equity investment at the end of the reporting period and would be exposed to changes in share prices which would result in gains and losses being recognized in profit or loss.

**BURRELL RESOURCES INC.**  
**NOTES TO the Condensed Interim FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

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**6. Capital Stock**

**(a) Authorized**

**Common shares**

The Company is authorized to issue an unlimited number of common shares without par value. At June 30, 2021, the Company had 12,067,000 common shares issued and outstanding (December 31, 2020 – 13,067,100).

During the six months ended June 30, 2021, the Company and its founding directors and officers agreed to reprice 3,700,000 common shares issued in 2019 from \$0.005 per share to \$0.015 resulting in additional gross proceeds of \$37,000. In addition, 1,000,100 common shares issued to a founding director and officer for \$0.015 per share were cancelled for consideration of \$15,000. The net impact to the Company was a cancellation of 1,000,100 common shares and net proceeds of \$22,000.

During the six months ended June 30, 2021, the Company engaged PI Financial Corp. (the “Agent”) whereby the Agent has agreed to raise on a commercially reasonable efforts \$800,000 in an Initial Public Offering (“IPO”) by the issuance of 5,333,333 common shares. Pursuant to the terms of the agreement, the Company has agreed to pay the Agent a commission representing 8% of the gross proceeds of the IPO in cash. In addition, the Company will pay the Agent a corporate finance fee of \$25,000 of which \$12,500 has been paid. As at June 30, 2021, the Company had incurred \$81,580 in deferred financing costs related to the filing of the preliminary prospectus. The IPO closed subsequent to June 30, 2021. See Note 10.

During the year ended December 31, 2020, the Company issued 9,317,000 common shares at \$0.02 per share for gross proceeds of \$186,340 and 50,000 common shares for data acquisition for its option mineral properties at a price of \$0.10 per share with a fair value of \$5,000.

**Escrow**

During the six months ended June 30, 2021, the Company entered into an escrow agreement whereby 2,250,000 common shares will be held in escrow and are scheduled for release 10% on the listing on the CSE and 15% every six months from the date of listing. At June 30, 2021, there were 2,250,000 common shares held in escrow (December 31, 2020 – Nil).

**(b) Share Purchase Options**

The Company has reserved up to 10% of the issued common shares for issuance under the plan. The exercise price and the vesting terms are determined by the Board of Directors. The exercise price is at least equal to the market price of the common shares at the date of the grant and the term may not exceed 10 years from the date of grant. During the six months ended June 30, 2021, the Company conditionally granted 700,000 stock options with an exercise price of \$0.15 and expire five years from the date of listing on a recognized stock exchange. The options are contingent on a public listing. See Note 10. The schedule of stock options is presented below. No value was prescribed to the stock options as they are subject to a future event.

<b>Issuance Date</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Issued</b>	<b>Exercisable</b>	<b>Weighted Average Remaining Life (years)</b>
February 9, 2021	Five years from listing date	\$0.15	700,000	Nil	5
<b>Total</b>			<b>700,000</b>	<b>Nil</b>	<b>5</b>

**BURRELL RESOURCES INC.****NOTES TO the Condensed Interim FINANCIAL STATEMENTS**June 30, 2021 and 2020

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**7. Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprising issued capital stock, reserves and deficit.

The Company is not subject to externally imposed capital requirements. The Company does not pay dividends. There were no changes to the Company's capital management strategies during the six months ended June 30, 2021.

The Company intends to raise additional working capital as required by the issuance of its common shares or units consisting of common shares and warrants to purchase common shares in the future.

**8. Related Party Transactions**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the six months ended June 30, 2021 was \$Nil (2020 - \$Nil).

**9. Segmented Information**

The Company operates in one business segment being the exploration of mineral properties. The Company's mineral property assets are all in the United States.

**10. Subsequent event**

Subsequent to the six months ended June 30, 2021, the Company completed its IPO offering and listing on the Canadian Stock Exchange ("**CSE**"). The IPO consisted of 5,333,333 common shares at a price of \$0.15 per common share for gross proceeds of \$800,000. The agent for the IPO received a cash commission of 8% from the sale of common shares and a corporate finance fee of \$25,000.