AFRICAN METALS CORPORATION

Condensed Interim Unaudited Consolidated Financial Statements

For the Three and Nine Months Ended February 28, 2020 and 2019

(Expressed in Canadian Dollars)

AFRICAN METALS CORPORATION

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these February 28, 2020 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying consolidated financial statements of African Metals Corporation (the "Company") are the responsibility of the Directors.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Simeon Tshisangama"

Simeon Tshisangama
President and Chief Executive Officer

"Daniel Gregory"

Daniel Gregory
Chief Financial Officer

Toronto, Ontario, Canada
August 17, 2020

AFRICAN METALS CORPORATION

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As At

		February 28, 2020		May 31, 2019
ASSETS				
Current				
Cash (Note 4)	**$**	**1,904,361**	**$**	2,774,022
Receivables (Note 5)		**109,145**		62,093
		2,013,506		2,836,115
Non-Current				
Exploration and evaluation assets (Note 6)		**279,574**		-
	$	**2,293,080**	$	2,836,115
LIABILITIES AND EQUITY (DEFICIENCY)				
Current				
Accounts payable and accrued liabilities (Note 7)	**$**	**162,219**	$	509,416
		162,219		509,416
Equity (Deficiency)				
Share capital (Note 9)		**31,732,846**		31,732,846
Reserves (Note 9)		**4,350,647**		4,350,647
Accumulated other comprehensive income		**1,299,517**		1,198,348
Deficit		**(35,252,149)**		(34,955,142)
		2,130,861		2,326,699
	$	**2,293,080**	$	2,836,115

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 13)

These consolidated financial statements are authorized for issue by the Board of Directors on August 17, 2020.

On behalf of the Board:

"Simeon Tshisangama"	*"David Mason"*
Simeon Tshisangama, President, CEO and Director	David Mason, Director

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

AFRICAN METALS CORPORATION

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
Three and Nine Months ended February 28, 2020 and 2019
(Expressed in Canadian Dollars)

	Three months ended Feb 28, 2020	Three months ended Feb 28, 2019	**Nine months ended Feb 28, 2020**	Nine months ended Feb 28, 2019
EXPENSES:				
Accounting and audit	**$ 30,000**	$ 53,133	**$ 85,000**	$ 83,133
Bank charges	**294**	713	**850**	876
Consulting fees	**-**	500	**2,900**	500
Foreign exchange (gain) loss	**(130,556)**	216,307	**101,047**	216,307
Interest expense	**-**	12,370	**-**	218,155
Interest income	**(7,346)**	(17,482)	**(28,433)**	(17,482)
Legal fees	**6,500**	197,794	**25,147**	218,375
Listing, transfer agent and filing fees	**18,222**	10,133	**22,359**	19,372
Management fees (Note 8)	**21,000**	48,000	**66,000**	90,000
Office and miscellaneous	**1,542**	330	**5,284**	1,339
Promotion, travel and shareholder relations	**902**	-	**6,557**	4,727
Rent	**3,300**	7,200	**9,400**	9,700
Salaries	**-**	13,300	**896**	39,900
Gain on forgiveness of debt	**-**	(4,134,183)	**-**	(4,134,183)
Net Income (loss) before Item:	**56,142**	3,591,885	**(297,007)**	3,249,281
Gain on sale of plant & exploration asset	**-**	8,690,644	**-**	8,690,644
Net Income (loss) before Item:	**56,142**	12,282,549	**(297,007)**	11,939,945
Cumulative translation adjustment	**(108,588)**	(1,985,051)	**101,169**	(2,098,355)
Income (Loss) and Comprehensive Income (Loss)	**$ (52,446)**	$ 10,297,498	**(195,838)**	9,841,590
Basic and diluted income (loss) per common share	**$ 0.004**	$ 0.734	**0.014**	0.701
Weighted average number of common shares outstanding basic and diluted	**14,038,682**	14,038,682	**14,038,682**	14,038,682

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

AFRICAN METALS CORPORATION
Consolidated Statements of Cash Flows
Nine Months ended February 28, 2020 and 2019
(Expressed in Canadian Dollars)

		2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (loss)	**$**	**(297,007)**	$	11,939,926
Items not affecting cash:				
Changes in non-cash working capital items:				
Receivables		**(47,053)**		(55,891)
Accounts payable and accrued liabilities		**(347,197)**		(4,134,183)
Net cash provided by (used in) operating activities		**(691,257)**		7,749,852
CASH FLOWS FROM INVESTING ACTIVITIES				
Disposition of exploration and evaluation asset		**-**		1,575,092
Disposition of equipment		**-**		1,511,783
Exploration and evaluation asset		**(279,574)**		-
Net cash provided by (used in) investing activities		**(279,574)**		3,086,875
CASH FLOS FROM FINANCING ACTIVITIES				
Repayment of loan payable		**-**		(6,549,578)
Net cash provided by (used in) investing activities		**-**		(6,549,578)
Change in cash		**(970,831)**		4,287,149
Cash, beginning of period		**2,774,022**		6,898
Effect of foreign exchange on cash		**101,169**		(1,465,988)
Cash, end of period	**$**	**1,904,360**	$	2,828,059

Supplemental disclosure with respect to cash flows (Note 12)

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

AFRICAN METALS CORPORATION

Consolidated Statement of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income	Deficit	Total
Balance as at May 31, 2018	14,038,681	$ 31,732,846	$ 4,350,647	$ 1,393,220	$ (45,351,086)	$(7,874,373)
Cumulative translation adjustment	—	—	—	(2,098,355)	—	(2,098,355)
Income (loss) for the period	—	—	—	—	11,939,926	11,939,926
Balance as at February 28, 2019	11,108,681	$ 31,597,230	$ 4,242,125	$ (705,135)	$ (33,411,160)	$ 1,967,198

Balance as at May 31, 2018	14,038,681	$ 31,732,846	$ 4,350,647	$ 1,393,220	$ (45,351,086)	$ (7,464,533)
Cumulative translation adjustment	—	—	—	(194,872)	—	255,731
Income (loss) for the year	—	—	—	—	10,395,944	10,395,944
Balance as at May 31, 2019	14,038,681	$ 31,732,846	$ 4,350,647	$ 1,198,348	$ (34,955,142)	$ 2,326,699
Cumulative translation adjustment	—	—	—	101,169	—	101,169
Income (loss) for the period	—	—	—	—	(297,007)	(297,007)
Balance as at February 28, 2020	14,038,681	$ 31,732,846	$ 4,350,647	$1,299,517	$ (35,252,149)	$ 2,130,861

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

1. NATURE AND CONTINUANCE OF OPERATIONS

African Metals Corporation (the "Company"), an exploration stage company, was continued under the British Columbia Business Corporations Act effective January 4, 2005. Its current principal business activity is the exploration and evaluation of assets. Previously the business activity was the exploration and evaluation of assets located in the Democratic Republic of the Congo (the "DRC").

On April 26, 2019, the Company announced that it had entered into an agreement whereby the Company may acquire a 51% interest in the Silver Bell –St. Lawrence Gold Project, in the Virginia City Mining District of Montana, USA (the "Project"). Under the agreement, the Company may earn a 51% interest in the Project by making annual US$10,000 option payments and spending $US $1,000,000 in exploration expenditures within four years with a minimum of $200,000 in expenditures during the first two years

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern and realize on its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain mineral resources that are economically recoverable. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue in business.

As at February 28, 2020, the Company has an accumulated deficit of $35,252,149 and a positive working capital of $1,851,287.

The Company's future plan is to review opportunities in various industries.

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 ability to raise funds.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(b) Key sources of estimation uncertainty and critical accounting judgments

The preparation of the Company's consolidated 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 consolidated financial statements and reported amounts of revenues 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. Information about significant areas of estimation uncertainty and judgments made by management in preparing the consolidated financial statements are described below:

SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Key sources of estimation uncertainty and critical accounting judgments (continued)

Significant estimates made by management affecting the financial statements include:

<u>Carrying value of non-current assets:</u>

The carrying amount of the Company's non-current assets including exploration and evaluation assets and plant and equipment does not necessarily represent present or future values.

The Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

At February 28, 2020, the management assessed the carrying value of the Company's exploration and evaluation assets and found no indicators of impairment. Refer to Note 2 (l) for information on the Company's impairment accounting policy.

<u>Share-based payments:</u>

Charges for share-based payments are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes option pricing model, and inputs to the model include assumptions on expected volatility, discount rates and expected term, dividend yield, and expected forfeitures. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity. Expected volatility is a measure for variation of a price of a financial instrument over time. Expected volatility is derived from a time series of past market prices therefore may not be an accurate representation of future volatility.

<u>Income taxes:</u>

Tax interpretations, regulations and legislation in Canada and the Democratic Republic of Congo, in which the Company and its subsidiaries operate, are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

Critical accounting judgments made by management affecting the financial statements include:

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1. In addition, management has made judgments regarding the functional currency of the Company and its subsidiaries as discussed in Note 2 (g).

<u>Going concern:</u>

The Company applies judgment in assessing its ability to continue as a going concern. In making this assessment, the Company considers the facts and circumstances disclosed in Note 1. While the Company believes that the risk of the contingencies is remote, these uncertainties may cast significant doubt about its ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional and presentation currency:

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company was determined by conducting an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates ("IAS 21").

The preparation of these consolidated financial management has made judgments regarding the functional currency of the Company and its subsidiaries as discussed in Note 2 (j).

(c) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company:

Entity	*Country of Incorporation*	*Principal Business*
Chevalier Resources Inc.	Canada	Holding company. Wholly owned subsidiary.
Kundelungu Mineral Resources Sprl ("KMR")	DRC	Exploration. 99% interest owned subsidiary.
Luisha Mining Enterprises Sprl ("LME")	DRC	Exploration. 71.25% interest
African Metals Holdings (BVI) Ltd.	BVI	Holding company. Wholly owned subsidiary
African Metals Resources (BVI) Ltd.	BVI	Holding company. Wholly owned subsidiary

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

(d) Exploration and evaluation assets

The Company expenses pre-exploration costs as incurred. Exploration and evaluation assets consist of exploration and mining concessions, options and contracts. Acquisition and exploration costs are capitalized and deferred until such time as the property is put into production, or the property is disposed of either through sale or abandonment. If it is put into production, the costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves.

Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition and deferred exploration costs will be written off to operations.

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. A property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recorded costs of exploration and evaluation assets costs are not intended to reflect present or future values of resource properties. The recovery of recorded costs is subject to measurement uncertainty and it is reasonably possible that changes in future conditions in the near term could require a material change in the recorded amount.

(e) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. For the years presented, the Company has determined that it has no material provisions to record in the consolidated financial statements.

(f) Share-based payments

The Company's stock option plan allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payment expense with a corresponding increase in equity reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(g) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on 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 is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of

2. SIGNIFICANT ACCOUNTING POLICIES (continued)
Income taxes (continued)

deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. 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.

(h) Share issue costs

Share issue costs incurred on the issue of the Company's shares are charged directly to share capital.

(i) Income (Loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) for the period by the weighted average number of shares outstanding during the period. Diluted income (loss) per share is calculated using the treasury stock method.

Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

Existing stock options and share purchase warrants have not been included in the computation of diluted income (loss) per share as to do so would be anti-dilutive. Accordingly, basic and diluted income (loss) per share are the same for the years presented.

(j) Translation of foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company, Chevalier Resources Inc., African Metals Holdings (BVI) Ltd., and African Metals Resources (BVI) Ltd. is the Canadian dollar. The functional currency of KMR and LME is the United States dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. Accordingly, the accounts of KMR and LME are translated into Canadian dollars as follows:

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations.

The Company's subsidiaries with a United States dollar functional currency have been translated into Canadian dollars as follows: assets and liabilities are translated at year end exchange rates, while revenues and expenses are translated using average rates over the year. Translation gains and losses relating to the foreign operations are included in accumulated other comprehensive income (loss) as a separate component of equity (deficiency).

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments

On June 1, 2018, the Company adopted IFRS 9, which replaced *IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39")*, on a retrospective basis using certain available transitional provisions. In accordance with the transitional provisions, the comparative information for prior periods have not been restated and the information presented for 2018 reflects the requirements of IAS 39 rather than IFRS 9.

The nature and effect of the changes to IFRS 9 are as follows:
i) Financial instrument classification and measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

IFRS 9 provides a revised model for the classification and measurement of financial assets that eliminates the previous categories of financial assets under IAS 39 of "available-for-sale", "held-to-maturity", or "loans and receivables." Under IFRS 9, on initial recognition, a financial asset is classified as and measured at: amortized cost, FVPL, or FVOCI. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held.

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is available on an investment-by-investment basis.

The following table summarizes the impact of transition from IAS 39 to IFRS 9:

	Measurement Category		
Asset/Liability	**Original (IAS 39)**	**New (IFRS 9)**	**Subsequent measurement**
Cash	Amortized cost	Amortized cost	Amortized cost
Receivables	Loans and receivables	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Amortized cost
Loan payable	Other financial liabilities	Amortized cost	Amortized cost

The adoption of IFRS 9 did not result in any changes in the carrying values of any of the Company's financial instruments on the transition date.

ii) Impairment of financial assets

IFRS 9 replaced the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets classified as and measured at amortized cost, contract assets and investments in debt instruments measured at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The adoption of the ECL model under IFRS 9 did not have an impact on the carrying values of any of the Company's financial assets on the transition date.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(l) Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date of impairment is reversed and does not exceed what the amortized cost would have been had the impairment not been recognized.

At May 31, 2019, fiscal year, the Company did not hold any long lived assets.

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies followed in the presentation of these condensed consolidated interim financial statements are consistent with those of the previous financial year.

New standards and interpretations not yet adopted

The Company has not yet adopted the following new accounting pronouncements which are effective for fiscal periods of the Company beginning on or after June 1, 2019:

International Financial Reporting Standard 16 Leases ("IFRS 16")
This standard was published in January 2016 and becomes effective on January 1, 2019, replacing the existing guidance in IAS 17, 'Leases'. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company will adopt this standard effective January 1, 2019. Under this standard, the present value of lease commitments will be shown as a liability on the statement of financial position together with an asset representing the right of use, including those leases classified as operating leases under the current standard IAS 17. This implies higher amounts of depreciation expense and interest expense on lease liabilities will be recorded in the Company's consolidated net earnings or loss in 2019 and future years. Additionally, a corresponding reduction in general and administrative costs and/or production costs is expected.
The Company has not entered any lease contracts and as such there is no impact of adopting this standard.

International Financial Reporting Standard 23 ("IFRIC 23") Uncertainty over Income Tax Treatments
IFRIC 23 is a new standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. The Company sold its assets located in the DRC during the year ended May 31, 2019 and utilized loss carry forwards to offset any potential taxes. While the Company concluded that the risk of any taxes owing in the DRC is remote, the adoption of this standard may have a material impact on the Company's financial statement.

(Expressed in Canadian Dollars)

4. CASH

	February 28, 2020	May 31, 2019
Cash at bank	$1,904,3961	$ 2,774,022

5. RECEIVABLES

The Company's receivables are broken down as follows:

	February 28, 2020	May 31, 2019
HST receivable	$ 75,574	$ 62,093
Bond reclamation receivable	33,571	-
Total	$ 109,145	$ 62,093

6. EXPLORATION AND EVALUATION ASSETS

For the year ended May 31, 2019		
Acquisition costs – May 31, 2018	$	-
Acquisition costs – May 31, 2019		**-**
Exploration costs – May 31, 2018		1,605,236
Disposal of Exploration and Evaluation Asset		(1,605,236)
Exploration costs – May 31, 2019		**-**
Balance – May 31, 2019	**$**	**-**
For the nine months ended February 28, 2020		
Acquisition costs – May 31, 2019	$	-
Exploration and Evaluation Asset		279,574
Acquisition costs – February 28, 2020		**279,574**
Exploration costs – May 31, 2019		-
Sale of Exploration and Evaluation assets		279,574
Exploration costs – February 28, 2020	**$**	**279,574**
Balance – February 28, 2020	**$**	**279,574**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	February 28, 2020	May 31, 2019
Trade payables	$ 64,4997	$ 361,053
Accrued liabilities	81,100	116,115
Due to related parties	16,622	32,248
Total	$ 162,219	$ 509,416

All accounts payable and accrued liabilities for the Company fall due within the next 12 months.

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.

Remuneration attributed to key management personnel for the nine months can be summarized as follows:

For the nine month period ended February 28, 2020, management fees totalling $126,000 (May 31, 2019 - $84,000) were incurred with directors of the Company as follows: $18,000 to a company controlled by David Mason (May 31, 2018 $24,000); $45,000 (May 31, 2019 - $60,000) to Simeon Tshisangama. Additional fees totalling $45,000 were incurred to a company related to Daniel Gregory, Chief Financial Officer (May 31, 2019 $60,000). As at February 28, 2020, $16,622 (May 31, 2019 - $32,248) was due to directors of the Company, and to companies owned by directors and former directors of the Company. The balances do not bear interest, are unsecured and have no fixed payment terms. Legal fees of $18,000 (May 31, 2019 – 183,504) were paid to John F. O'Donnell, a director. During the quarter ended February 28, 2020, management fees totalling $42,000 (February 28, 2019 - $36,000) were incurred with directors of the Company as follows: $6,000 to a company controlled by David Mason (February 28, 2019 - $6,000); $15,000 (February 28, 3019 - $15,000) to Simeon Tshisangama, Chief Executive Officer. Additional fees totalling $15,000 were incurred to a company related to Daniel Gregory, Chief Financial Officer (February 28, 2019 $15,000). Legal fees totalling $6,000 were paid to John F. O'Donnell, a Director, (February 28, 2019 - $177,504).

9. SHARE CAPITAL

The authorized share capital of the Company is unlimited shares without par value.

Transactions for the issue of share capital during the nine months ended February 28, 2020 and for the year ended May 31, 2019:

There were no share capital transactions during the nine months ended February 28, 2020. During the fiscal year ended May 31, 2019, no share capital transactions occurred.

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's share capital issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares.

Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted by TSX Venture Exchange Policy) or such other price as may be agreed to by the Company and accepted by the TSX. All options granted under the Plan will become vested in full upon grant, except options granted to consultants performing investor relations activities, which options are subject to vesting restrictions such that one-quarter of the options shall vest every three months subsequent to the date of the grant of the options.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

A summary of the status of the Company's stock options outstanding as of February 28, 2020 and May 31, 2019 and changes during the periods then ended is as follows:

	February 28, 2020		**May 31, 2019**	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding, beginning of period	650,000	$ 0.05	650,000	$ 0.05
Expired/Cancelled	—	$ 0.05	-	$ 0.05
Outstanding end of period	650,000	$ 0.05	650,000	$ 0.05
Exercisable, end of period	650,000	$ 0.05	650,000	$ 0.05

At February 28, 2020, the Company had stock options outstanding to acquire 650,000 shares as follows:

Options	Exercise Price	Expiry Date	Remaining Life (Years)
500,000	$0.05	December 18, 2020	0.81
150,000	$0.05	January 28, 2021	0.92
Weighted Average Remaining Life			0.86

10. SEGMENTED INFORMATION

The Company's activities are in one industry segment of exploration and evaluation asset acquisition, exploration and development. All of the Company's long lived assets, which include exploration and evaluation assets, are located in the USA.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes components of equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended February 28, 2020. The Company is not subject to externally imposed capital requirements.

Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
Level 3 – Inputs that are not based on observable market data.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The fair value of the Company's receivables, accounts payable and accrued liabilities, loan payable, and convertible debenture approximate their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has a low credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2020, the Company had a cash balance of $1,904,361 to settle current liabilities of $162,219

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and no interest bearing loan payable. The Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company's expenditures are in Canadian and United States dollars and any future equity raised is expected to be predominantly in Canadian dollars. The Company's expenditures in the DRC are in United States dollars. At February 28, 2020, the Company has net total financial liabilities denominated in United States dollars of $11,081US. A 10% fluctuation in the value of the United States dollar versus the Canadian dollar would give rise to an approximate $1,108US change in profit or loss.

c) 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 copper, and cobalt, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

12. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred non-cash financing and investing activities as follows:

	February 28, 2020	May 31, 2019
Exploration and evaluation assets included in accounts payable	$ **14,880**	$ -
	$ **14,880**	$ -

12. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

During the nine months ended February 28, 2020 no cash was paid for income taxes. For the three months ended February 29, 2020 no cash paid for interest or for income tax.

13. SUBSEQUENT EVENTS

Subsequent to the February 28, 2020 period, the Company has completed or undertaken certain corporate transactions, summarized as follows:

After the sale of the Company's assets in the DRC, the Company no longer required its DRC subsidiary, Luisha Mining Enterprises, Sprl, ("LME"),and therefore dissolved LME on June 1, 2020.