AFRICAN METALS CORPORATION

Condensed Interim Unaudited Consolidated Financial Statements

For the Three Months and the Six Months Ended November 30, 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 November 30, 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
January 19, 2021

AFRICAN METALS CORPORATION

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

		November 30, 2020		May 31, 2020 (Restated – Note 3)
ASSETS				
Current				
Cash and cash equivalents (Note 4)	**$**	**1,536,695**	**$**	1,842,910
HST receivable (Note 5)		**123,267**		94,871
Prepaid expense		**7,799**		-
		1,667,761		1,937,781
Non-Current				
Reclamation bond receivable (Note 6)		**34,416**		34,416
	$	**1,702,177**	$	1,972,197
LIABILITIES AND EQUITY (DEFICIENCY)				
Current				
Accounts payable and accrued liabilities (Note 7)	**$**	**96,049**	$	183,465
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		**17,989**		-
Deficit		**(34,495,355)**		(34,294,761)
		1,606,127		1,788,732
	$	**1,702,177**	$	1,972,197

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 16)

These consolidated financial statements are authorized for issue by the Board of Directors on January 19, 2021.

On behalf of the Board:

"Simeon Tshisangama"
Simeon Tshisangama, President, CEO and Director

"David Mason"
David Mason, Director

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

AFRICAN METALS CORPORATION

Consolidated Statements of Loss and Comprehensive Loss
Three and six Months ended November 30, 2020 and 2019
(Expressed in Canadian Dollars)

		Three months ended Nov 30, 2020		Three months ended Nov 30, 2019 (Restated - Note 3)		**Six months ended Nov 30, 2020**		Six months ended Nov 30, 2019 (Restated – Note 3)
EXPENSES:								
Accounting and audit	**$**	**35,225**	$	40,000	$	**50,225**	$	55,000
Bank charges		**199**		361		**566**		556
Filing fees		**1,250**		1,250		**3,018**		2,900
Legal fees		**23,891**		11,757		**35,240**		18,647
Transfer agent fees		**2,343**		657		**9,244**		1,238
Management fees (Note 8)		**21,000**		26,000		**42,000**		45,000
Office and miscellaneous		**90**		5,873		**90**		6,403
Consulting fees		**-**		2,006		**-**		2,119
Interest income		**-**		(12,266)		**(630)**		(21,086)
Foreign Exchange loss (gain)		**(17,965)**		12,517		**40,312**		231,603
Promotion, travel and shareholder relations		**-**		3,162		**-**		4,670
Rent		**6,600**		3,300		**13,200**		6,100
Exploration and evaluation costs (Note 10)		**966**		220,424		**7,329**		225,909
NET LOSS		**73,599**		315,041		**200,594**		579,059
Cumulative translation adjustment		**-**		9,163		**17,989**		209,757
Loss and Comprehensive Loss	**$**	**73,599**	$	324,204	$	**200,594**	**$**	788,816
Basic and diluted loss per common share	**$**	**0.005**	$	0.023	$	**0.016**	**$**	0.056
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
Six Months ended November 30, 2020 and 2019
(Expressed in Canadian Dollars)

		2020		2019 (Restated – Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	**$**	**(200,594)**	$	(579,059)
Changes in non-cash working capital items:				
Receivables		**(36,196)**		(42,453)
Accounts payable and accrued liabilities		**(87,414)**		(197,747)
Net cash provided by (used in) operating activities		**(324,204)**		(819,259)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net cash provided by (used in) investing activities		**-**		-
Change in cash		**(324,204)**		(819,259)
Cash, beginning of period		**1,842,910**		2,774,022
Effect of foreign exchange on cash		**17,989**		209,760
Cash, end of period	**$**	**1,536,695**	$	2,164,523

Supplemental disclosure with respect to cash flows (Note 13)

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, May 31, 2019	14,038,681	$ 31,732,846	$ 4,350,647	$ 1,198,348	$ (34,955,142)	$2,326,699
Cumulative translation adjustment	—	—	—	209,757	—	209,757
Loss for the period	—	—	—	—	(579,059)	(579,059)
Balance, November 30, 2019 (Restated Note 3)	14,038,681	$ 31,732,846	$ 4,350,647	$ 1,408,105	$ (35,534,201)	$1,957,397

Balance, May 31, 2019	14,038,681	$ 31,732,846	$ 4,350,647	$ 1,198,348	$ (34,955,142)	$ 2,326,699
Cumulative translation adjustment	—	—	—	(1,198,348)	—	(1,198,348)
Exploration and evaluation policy change	-	-	-	-	(293,566)	(293,566)
Income (loss) for the year	—	—	—	—	953,947	953,947
Balance, May 31, 2020 (Restated - Note 3)	14,038,681	$ 31,732,846	$ 4,350,647	$ -	$ (34,294,761)	$ 1,788,732
Cumulative translation adjustment	—	—	—	17,989	—	17,989
Loss for the period	—	—	—	—	(200,594)	(200,594)
Balance, November 30, 2020	14,038,681	$ 31,732,846	$ 4,350,647	$ 17,989	$ (34,495,355)	$ 1,606,127

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 December 6, 2018, the Company closed the sale of its DMS plant and its interest in its Luisha project and recorded a gain of $8,122,091. After the sale of these assets, the Company no longer required its DRC subsidiary, Luisha Mining Enterprises, Sprl, ("LME"), and therefore dissolved LME on June 1, 2020.

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") (Note 10).

These consolidated financial statements (the "financial statements") have been prepared on a going concern basis which assumes that the Company will be able to continue in operation for the foreseeable future and meet its obligations in the normal course of business. The Company expects to incur further losses in the development of its business. The Company's ability to continue its operations and to realize its assets is dependent upon obtaining additional financing to further its business objective. Although the Company has been successful in raising equity financing in the past, there is no assurance that such financing will continue to be available. While the Company believes that the risk of the contingencies is remote (Note 15), these uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern and realize on its assets and discharge its liabilities in the normal course of business. 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 November 30, 2020, the Company has an accumulated deficit of $34,495,355 and a positive working capital of $1,563,913.

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. The Company's market conditions related to the COVID-19 global pandemic; the duration and extent of COVID-19; changes in general economic conditions; the imposition of government restrictions on business related to COVID-19; any positive cases of COVID-19 at a project site or in the area which may cause a reduction or suspension in operations and activities which may ultimately affect and delay the exploration timeline; changes in prices for gold and other metals; and other as yet unknown or unidentified risks. Concerning the Company's day to day operations, the Company follows the Canadian Federal and Province of Ontario guidelines and restrictions.

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 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 November 30, 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>Income taxes:</u>

Tax interpretations, regulations and legislation in the 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. Upon the sale of LME (Note 14), the Company utilized tax carryforwards to offset any taxable income, and subsequently dissolved LME.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern:

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 (Note 15), these uncertainties may cast significant doubt about its ability to continue as a going concern.

(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.
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 so as 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. Due to the sale of the mine on December 6, 2018, as of June 1, 2020 both DRC subsidiaries, Luisha Mining Enterprise, SARL, (“LME”) and Kundelungu Minerals Resources, SARL, (“KMR’) were no longer required and as such were dissolved. The above existing subsidiaries, Chevalier Resources Inc., African Metals Holdings (BVI) Ltd., and African Metals Resources (BVI) Ltd. are inactive.

(d) Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Exploration and evaluation assets

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with eh exception of development costs that give rise to a future benefit.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Exploration and evaluation assets (continued)

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.

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.

(f) 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.

(g) 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.

(h) 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.

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

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 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.

(i) Share issue costs

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

(j) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period. Diluted 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 loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same for the years presented.

(k) 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*.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

translated using average rates over the year. Translation gains and losses relating to the foreign operations are included in accumulated other comprehensive loss as a separate component of deficiency.

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

<u>Financial assets at FVTOCI:</u>

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

<u>Financial assets and liabilities at amortized cost:</u>

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

<u>Financial assets and liabilities at FVTPL</u>

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

<u>Impairment of financial assets at amortized cost</u>

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of operations and comprehensive income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

(m) 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.

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Exploration and Evaluation Expenditures

During the quarter ended August 31, 2020, with an effective date of June 1, 2020 the Company adopted a voluntary change in accounting policy, as permitted and accepted under IFRS 6 - *Exploration and Evaluation of Mineral Resources* ("IFRS 6"), with respect to exploration and evaluation ("E&E") expenditures. Previously, as permitted under IFRS 6, the Company capitalized costs relating to both the acquisition and exploration of its E&E assets, net of recoveries received.

The Company's new policy on accounting for E&E expenditures is to expense these costs until such time as the technical feasibility and commercial viability has been established that supports future development of the mineral property, and such development receives appropriate board approvals.

(Expressed in Canadian Dollars)

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS (continued)

The Company has determined that the voluntary change in accounting policy results in financial statements providing more reliable and relevant information. The change in accounting policy is consistent with the accounting conceptual framework for the recognition of assets and is an accepted accounting practice in the mining industry. This change in accounting policy has been applied to all of the Company's E&E activities for its property.

Under the previous accounting policy, the Company was required to perform an impairment assessment on the carrying value of the E&E assets. As of May 31, 2020, impairment indicators were noted and resulted no impairment charge being recorded.

The Company's new significant accounting policy in respect of exploration and evaluation assets is as follows:

All direct costs related to the acquisition of exploration and evaluation assets are capitalized upon acquiring the legal right to explore a property. Exploration and evaluation costs are expensed as incurred while the Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. If and when the Company's management determines that economically extractable proven or probable mineral reserves have been established, the subsequent costs incurred to develop such property, including costs to further delineate the ore body will be capitalized.

When the Company receives proceeds in the form of cash and/or common shares from an option of interest or a partial sale in a property, the payments are credited against the carrying value of the property and the excess amount of the proceeds over the carrying value is recorded as a gain in profit or loss when received. When all of the interest in a property is sold, the accumulated E&E costs are written-off with any gain or loss recorded in profit or loss in the period the transaction occurs.

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.

As required by IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*, the change in accounting policy has been made retrospectively and comparatives have been restated accordingly to all periods presented, as if the policy had always been applied.

The financial statement impact as at and for the year ended May 31,2020 is as follows:

	As previously reported	Effect of change in accounting policy	As restated
Consolidated statement of financial position			
Exploration and evaluation assets	$ 293,566	$ (293,566)	$ -
Total assets	2,265,763	(293,566)	1,972,197
Deficit	(34,001,195)	(293,566)	(34,294,761)
Total equity	2,082,298	(293,566)	1,788,732
Total liabilities and equity	2,265,761	(293,566)	1,972,197

(Expressed in Canadian Dollars)

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS (continued)

	As previously reported	Effect of change in accounting policy	As restated
Consolidated statement of loss and comprehensive loss			
Exploration and evaluation expenses	$ -	$ 293,566	$ 293,566
Income for the year	953,947	(293,566)	660,381
Comprehensive loss for the year	(244,401)	(293,566)	(537,967)
Basic and diluted income (loss) per common shares	0.07	(.02)	0.05

	As previously reported	Effect of change in accounting policy	As restated
Consolidated statement of cash flow			
Income for the year	$ 953,947	$ (293,566)	$ 660,381
Expenditures on exploration and evaluation assets	(291,030)	291,030	-

The financial statement impact as at June 1, 2020 is as follows:

	As previously reported	Effect of change in accounting policy	As restated
Consolidated statement of financial position			
Exploration and evaluation assets	$ -	$ -	$ -
Total assets	1,972,197	-	1,972,197
Deficit	(34,294,761)	-	(34,294,761)
Total equity	1,788,732	-	1,788,732
Total liabilities and equity	1,972,197	-	1,972,197

IFRS 16 'Leases' ("IFRS 16")

The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short -term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has adopted this standard effective June 1, 2019 and has determined it has no impact on its financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' ("IFRIC 23")

IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income taxes, when there is uncertainty over income tax treatments. It specifically addresses whether an entity considers each tax treatment independently or collectively, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and how an entity considers changes in facts and circumstances. IFRIC 23 became effective for fiscal years beginning on or after January 1, 2019, with earlier application permitted. The Company has adopted this interpretation as of June 1, 2019 has assessed no significant impact as a result of the adoption of this interpretation.

(Expressed in Canadian Dollars)

4 . CASH AND CASH EQUIVALENTS

	November 30, 2020	May 31, 2020
Cash at bank	$ 1,536,695	$ 39,537
Cash equivalents – GIC	-	1,803,373
Total	$ 1,536,695	$ 1,842,910

5. RECEIVABLES

The Company's receivables are broken down as follows:

	November 30, 2020	May 31, 2020
HST receivable	$ 123,267	$ 94,869
Bond reclamation receivable	34,416	34,416
Total	$ 157,683	$ 129,285

6. RECLAMATION BOND

In connection with the Company's Silver Bell – St. Lawrence Gold Project (Note 7), the Company posted a reclamation bond during the year ended May 31, 2020 with the State of Montana's Department of Environmental Quality in the amount of $US 25,000.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	November 30, 2020	May 31, 2020
Trade payables	$ 96,049	$ 152,340
Accrued liabilities	-	15,000
Due to related parties	-	16,123
Total	$ 96,049	$ 183,463

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 can be summarized as follows:

For the six months period ended November 30, 2020, management fees totalling $84,000 (May 31, 2019 - $84,000) were incurred with directors of the Company as follows: $12,000 to a company controlled by David Mason (May 31, 2020 $24,000); $30,000 (May 31, 2020 - $60,000) to Simeon Tshisangama. Additional fees totalling $30,000 were incurred to a company related to Daniel Gregory, Chief Financial Officer (May 31, 2020 $60,000). Legal fees totalling $12,000 were paid to John F. O'Donnell, a Director, (May 31, 2020 $24,000).

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued)

For the three months ended November 30, 2020, management fees totalling $42,000 (November 30, 2019 - $42,000) were incurred with directors of the Company as follows: $6,000 to a company controlled by David Mason (November 30, 2019 - $6,000); $15,000 (November 30, 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 (November 30, 2019 - $15,000). Legal fees totalling $6,000 were paid to John F. O'Donnell, a Director, (November 30, 2019 $6,000).

As at November 30, 2020, $Nil (May 31, 2020 - $16,123) 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.

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 six months ended November 30, 2020 and for the year ended May 31, 2020:

There were no share capital transactions during the six months ended November 30, 2020. During the fiscal year ended May 31, 2020, 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.

A summary of the status of the Company's stock options outstanding as of November 30, 2020 and May 31, 2020 and changes during the periods then ended is as follows:

	November 30, 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

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

At November 30, 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	0.05
150,000	$0.05	January 28, 2021	0.16
Weighted Average Remaining Life			0.11

10. EXPLORATION AND EVALUATION EXPENDITURES

A continuity of the exploration and evaluation assets is as follows:

Balance – May 31, 2019	**$ -**
Assay	13,454
Drilling	187,497
Geology and field operations	86,951
Property payments	5,664
Balance – May 31, 2020	**$ 293,566**

Balance – May 31, 2020	**$ 293,566**
For the six months ended November 30, 2020	
Evaluation and Exploration Acquisition – property fees	7,329
Acquisition costs – November 30, 2020	**7,329**
Balance – November 30, 2020	**$ 300,895**

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 characteristic of many mining properties. The Company has investigated title to its exploration and evaluation asset and, to the best of its knowledge, title to its property is in good standing. The exploration and evaluation asset is located in the United States.

Silver Bell – St. Lawrence Gold Project

On April 26, 2019, the Company announced that it had entered into an agreement with a related party 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.

Based on the expenditures during the year ended May 31, 2020, the Company has met the minimum of US$200,000 required. During that time period, the Company has spent US$213,945.

11. 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 exploration and evaluation assets are located in the USA.

12. 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.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings and the sale of stockpiles of ore to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will be required to raise additional funds.

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 six months ended November 30, 2020. The Company is not subject to externally imposed capital requirements.

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.

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.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

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 November 30, 2020, the Company had a cash balance of $1,536,695 to settle current liabilities of $96,049.

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 debt. 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.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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. At November 30, 2020, the Company did not have any net total financial liabilities denominated in United States dollars. A 10% fluctuation in the value of the United States dollar versus the Canadian dollar would give rise to an approximate $NIL 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.

13. SUPPLEMENTAL CASH FLOW INFORMATION

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

		6 Months Ended November 30, 2020		May 31, 2020
Exploration and evaluation assets included in accounts payable	$	**1,965**	$	2,536
	$	**1,965**	$	2,536

During the six months ended November 30, 2020 and 2019, cash paid for interest amounted to $Nil, and $Nil

14. ABANDONMENT OF SUBSIDIARY

On May 31, 2020, the Company abandoned its inactive subsidiaries KMR and LME. There were no assets or liabilities associated with these companies and as such, the gain on the abandonment of KMR and LME was $1,198,348 which represented the accumulated other comprehensive income reclassified to profit and loss. KMR and LME were legally dissolved on June 1, 2020.

15. CONTINGENCIES

a) As disclosed elsewhere in these consolidated financial statements, the Company sold all of its assets in the DRC, (Note 14), and has dissolved the entities that held ownership of those assets. As a result, the Company recorded gains on payables owing within those entities. Should the DRC government ever attempt to re-assess any amounts owing to them in fees, royalties or taxes, there is a risk the Company could be asked to pay such amounts. The Company does not believe there is any basis for such re-assessment and no such possibility has been suggested. The Company believes that the risk is remote.

b) The Company has agreed to pay $50,000 to a director of the Company if and when the Cease Trade Order is lifted.

16. SUBSEQUENT EVENTS

As of the date of this financial statement, the Company has not completed or undertaken any corporate transactions.