



ROSS RIVER MINERALS INC.

Condensed Interim Financial Statements

For the Three Months Ended March 31, 2021 and 2020

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

ROSS RIVER MINERALS INC.
Condensed Interim Statements of Financial Position
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash	\$ 5,836	\$ 5,854
Amounts receivable	2,680	2,580
Total assets	\$ 8,516	\$ 8,434
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 29,893	\$ 25,810
Loans payable (Note 4)	339,943	339,204
Due to related parties (Note 4 and 6)	25,125	24,625
Total Liabilities	394,961	389,639
Shareholders' Deficit		
Share Capital	11,815,546	11,815,546
Reserves	2,200,390	2,200,390
Deficit	(14,402,381)	(14,397,141)
Total shareholders' deficit	(386,445)	(381,205)
Total liabilities and shareholders' deficit	\$ 8,516	\$ 8,434

Nature and Continuance of Operations (Note 1)
Proposed Transaction (Note 9)

Approved on behalf of the Board:

"Aleem Nathwani" (signed)
Director

"Yana Bobrovskaya" (signed)
Director

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

ROSS RIVER MINERALS INC.**Condensed Interim Statements of Loss and Comprehensive Loss****Unaudited – Prepared by Management****(Expressed in Canadian Dollars)**

	Three months ended March 31, 2021	Three months ended March 31, 2020
Operating expenses		
Administration fees	\$ 18	\$ 18
Consulting and management fees (Note 6)	500	-
Professional fees	1,750	-
Transfer agent and filing fees	2,232	2,048
Total operating expenses	4,500	2,066
Net loss before other expense	(4,500)	(2,066)
Other expense		
Interest expense	(740)	-
Net loss and comprehensive loss	\$ (5,240)	\$ (2,066)
Net loss per share, basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding, basic and diluted	8,600,999	8,600,999

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

ROSS RIVER MINERALS INC.**Condensed Interim Statements of Changes in Equity****Unaudited – Prepared by Management****(Expressed in Canadian Dollars)**

	Share Capital						
	Number		Amount		Reserves	Deficit	Total
As at December 31, 2019	8,600,999	\$	11,815,546	\$	2,200,390	\$ (14,366,332)	\$ (350,396)
Net loss of the period	-		-		-	(2,066)	(2,066)
Balance, March 31, 2020	8,600,999	\$	11,815,546	\$	2,200,390	\$ (14,368,398)	\$ (352,462)
As at December 31, 2020	8,600,999	\$	11,815,546	\$	2,200,390	\$ (14,397,141)	\$ (381,205)
Net loss of the period	-		-		-	(5,240)	(5,240)
Balance, March 31, 2021	8,600,999	\$	11,815,546	\$	2,200,390	\$ (14,402,381)	\$ (386,445)

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

ROSS RIVER MINERALS INC.
Condensed Interim Statements of Cash Flows
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Three months ended March 31, 2021	Three months ended March 31, 2020
Operating Activities		
Net loss for period	\$ (5,240)	\$ (2,066)
Item not affecting cash:		
Interest expense on loans payable	740	-
Changes in non-cash operating working capital:		
Amounts receivable	(100)	(101)
Accounts payable and accrued liabilities	4,082	2,149
Due to related party	500	-
Net cash used in operating activities	(18)	(18)
Change in cash	(18)	(18)
Cash, Beginning of Period	5,854	732
Cash, End of Period	\$ 5,846	\$ 714

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ROSS RIVER MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Ross River Minerals Inc. (the "Company") was incorporated on June 12, 1996 under the laws of the province of British Columbia as 521844 B.C. Ltd. The Company changed its name to Ross River Minerals Inc. on May 22, 2002. The Company is an exploration stage company and is engaged in the acquisition, exploration, and development of mineral resource properties. The Company is currently looking for new business opportunities.

The head office and records office of the Company are located at 1430 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6. The Company is listed for trading on the TSX Venture Exchange under the symbol "RRM.H".

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future and that management does not intend to liquidate the Company or to cease trading, or has no realistic alternative but to do so. As at March 31, 2021, the Company had a working capital deficiency of \$386,445 and has accumulated losses since its inception of \$14,402,381 which has been funded primarily by equity and debt financing. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These unaudited condensed interim financial statements were prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, they do not include all of the information and disclosures required by IFRS for annual financial statements. These unaudited condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2020 which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared using the same accounting policies and methods of application as the latest annual financial statements. In the opinion of management, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation have been included. The results for interim periods are not necessarily indicative of results for the entire year. The preparation of these unaudited condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of these unaudited condensed interim financial statements and the reported amounts of expenses during the period. As a result, actual amounts may differ from those estimates.

The Company's functional and presentation currency is the Canadian dollar.

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Notes to the Condensed Interim Financial Statements
For the Three Months Ended March 31, 2021 and 2020
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2. BASIS OF PRESENTATION (continued)

(b) Approval of the financial statements

These unaudited condensed interim financial statements of the Company were approved by the Board of Directors and authorized for issue on May 28, 2021.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned inactive subsidiaries, Minera Rio Ross S.A. de C.V. and 1174703 B.C. Ltd., which was incorporated in British Columbia, Canada on August 3, 2018.

(d) Significant Accounting Policies

These unaudited condensed interim financial statements do not include all of the significant accounting policies required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read together with the audited financial statements for the year ended December 31, 2020 which in Note 2 detail all significant accounting policies adopted by the Company.

The Company's accounting policies have been applied consistently to all periods presented in these unaudited condensed interim financial statements.

(e) Critical accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income and mining taxes. Differences may be material. The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's resources and future prospects.

3. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2021, and have not been early adopted in preparing these consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. LOANS PAYABLE

- (a) As at March 31, 2021, the Company owes \$307,346 (2020 - \$307,346) of loans payable, which is unsecured, non-interest bearing, and due on demand.
- (b) On May 19, 2020, the Company received \$30,000 of loan proceeds from a third party, which is unsecured, bears interest at 10% per annum, and is due on demand. As at March 31, 2021, the Company owes \$32,597 (2020 - \$nil) of loans payable, which includes \$2,597 (2020 - \$nil) of accrued interest.

ROSS RIVER MINERALS INC.
Notes to the Condensed Interim Financial Statements
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5. SHARE CAPITAL

(a) Authorized

An unlimited number of common shares without par value.

(b) Issued and outstanding

There were no share transactions during the three months ended March 31, 2021.

(c) Stock options

The Company amended its share-based compensation plan whereby stock options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's stock on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the stock option grant. There were no stock options outstanding as at the three months ended March 31, 2021 and year ended December 31, 2020.

6. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

Compensation of Key Management Personnel

Key management personnel consist of current and former directors and senior management including the current and former President, Chief Executive Officer, and Chief Financial Officer. Key management personnel compensation for the three months ended March 31, 2021 and 2020 includes:

	2021	2020
Consulting and management fees	\$ 500	\$ nil

The amounts owing to key management personnel, which are non-interest bearing, unsecured and due on demand and are as follows:

	March 31, 2021	December 31, 2020
Key management personnel	\$ 25,125	\$ 24,625

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Notes to the Condensed Interim Financial Statements
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7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

The fair values of short-term financial instruments, including cash, amounts receivables, accounts payable and accrued liabilities, amounts due to related parties, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. Amounts receivable is primarily comprised of GST receivable due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

8. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

There have been no changes to the Company's approach to capital management during the period.

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For the Three Months Ended March 31, 2021 and 2020
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9. PROPOSED TRANSACTION

On August 8, 2018, the Company signed an Amalgamation Agreement (the "Agreement") pursuant to which the Company will acquire all of the outstanding shares of Innovate Phytotechnologies Inc. ("Innovate"), an analytical research and development organization providing licensing and product development solutions in the cannabis, food, drug, and health products sectors, in a three-cornered amalgamation in exchange for 50,758,969 common shares of the Company and 9,350,000 share purchase warrants at \$0.02 per share until March 31, 2023.

In addition, the Company will issue 6,666,666 common shares in a private placement for proceeds of \$5,000,000 and issue an additional 14,285,714 common shares for the conversion of \$5,000,000 of convertible notes at a conversion price of \$0.35 per share which is being issued in conjunction with the completion of the Agreement. Furthermore, the Company will issue 10,758,969 common shares to Innovate share purchase warrant holders to be exercisable into common shares of the Company at \$0.30 per share and up to 1,000,000 common shares for finder's fees.

The Company is still in discussions with Innovate to finalize the transaction, although the terms to the proposed transaction could be amended due to current market conditions.