Condensed Interim Financial Statements of

Vanadian Energy Corp.

Three and nine months ended April 30, 2020 and 2019
(Expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements of Vanadian Energy Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed interim financial statements.

Vanadian Energy Corp.

Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

		April 30, 2020		July 31, 2019
Assets				
Current assets				
Cash	**$**	**9,556**	$	176,200
Advances		**-**		5,000
Amounts receivable		**2,286**		10,691
Prepaid expenses		**4,058**		8,122
		15,900		200,013
Exploration and evaluation assets (Note 3)		**639,226**		477,476
Total assets	**$**	**655,126**	$	677,489
Liabilities				
Current liabilities				
Amounts payable and accrued liabilities	**$**	**676,408**	$	597,324
Notes payable (Note 4, 6)		**180,000**		180,000
Flow-through share premium (Note 5(e))		**-**		7,752
Total liabilities		**856,408**		785,076
Deficiency				
Share capital (Note 5)		**40,893,103**		40,835,603
Reserves (Note 5)		**7,734,318**		7,734,318
Deficit		**(48,828,703)**		(48,677,508)
Total deficiency		**(201,282)**		(107,587)
Total liabilities and deficiency	**$**	**655,126**	$	677,489

Nature of operations and going concern (Note 1)
Subsequent events (Note 3(a), 4)

Approved by the Board of Directors and authorized for issue on June 25, 2020:

"Gordon Keep" Director

"Marc Simpson" Director

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

Vanadian Energy Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended April 30, **2020**	Three months ended April 30, 2019	Nine months ended April 30, **2020**	Nine months ended April 30, 2019
Expenses				
Consulting (Note 6)	**$ 30,000**	$ 30,000	**$ 90,000**	$ 91,330
Maintenance and rehabilitation	**-**	1,965	**-**	29,141
Office and administration	**2,545**	5,613	**9,376**	21,006
Professional fees	**9,074**	10,750	**17,578**	28,755
Regulatory and transfer agent	**2,522**	4,032	**13,435**	28,108
Salaries and benefits (Note 6)	**-**	15,347	**22,622**	42,503
Share-based compensation (Note 5(c), 6)	**-**	64,400	**-**	64,400
	(44,141)	(132,107)	**(153,011)**	(305,243)
Exploration tax credits (Note 3(d))	**4,540**	49,880	**4,540**	49,880
Finance expense	**(6,555)**	(1,733)	**(11,999)**	(11,517)
Finance income	**122**	3,056	**1,523**	6,119
Write-down of exploration and evaluation assets (Note 3(b))	**-**	(1,602,149)	**-**	(1,602,149)
Other income - flow-through (Note 5(e))	**-**	37,939	**7,752**	37,939
Loss and comprehensive loss	**(46,034)**	(1,645,114)	**(151,195)**	(1,824,971)
Basic and diluted loss per share	**$ (0.00)**	$ (0.04)	**$ (0.00)**	$ (0.05)
Weighted average number of common shares outstanding basic and diluted	**42,261,150**	41,111,150	**41,690,454**	34,067,492

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

Vanadian Energy Corp.

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share capital				
	Shares issued	Amount	Reserves	Deficit	Total equity (deficiency)
At July 31, 2018	26,486,150	$ 39,747,478	$ 7,594,799	$ (46,780,144)	$ 562,133
Private placement: Non flow-through	9,375,000	670,252	79,748	-	750,000
Private placement: Flow-through	5,000,000	500,000	-	-	500,000
Flow-through share premium	-	(50,000)	-	-	(50,000)
Share issue costs	-	(62,127)	(4,629)	-	(66,756)
Shares issued on acquisition of exploration and evaluation assets (Note 3(a))	250,000	30,000	-	-	30,000
Share-based compensation	-	-	64,400	-	64,400
Loss and comprehensive loss	-	-	-	(1,824,971)	(1,824,971)
At April 30, 2019	41,111,150	40,835,603	7,734,318	(48,605,115)	(35,194)
Loss and comprehensive loss	-	-	-	(72,393)	(72,393)
At July 31, 2019	41,111,150	40,835,603	7,734,318	(48,677,508)	(107,587)
Shares issued on acquisition of exploration and evaluation assets (Note 3(a))	1,150,000	57,500	-	-	57,500
Loss and comprehensive loss	-	-	-	(151,195)	(151,195)
At April 30, 2020	42,261,150	$ 40,893,103	$ 7,734,318	$ (48,828,703)	$ (201,282)

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

Vanadian Energy Corp.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Nine months ended April 30, 2020	2019
Operating activities		
Loss for the period	**$ (151,195)**	$ (1,824,971)
Items not involving cash:		
Write-down of exploration and evaluation assets	**-**	1,602,149
Share-based compensation	**-**	64,400
Other income - flow-through	**(7,752)**	(37,939)
Finance expense - accrued	**8,107**	12,418
Changes in non-cash working capital items:		
Amounts receivable	**8,405**	3,274
Prepaid expenses	**4,064**	4,064
Advances	**5,000**	(5,000)
Amounts payable and accrued liabilities	**80,343**	(38,662)
	(53,028)	(220,267)
Financing activities		
Proceeds on shares issued, net of share issue costs	**-**	1,193,089
Repayment of notes payable	**-**	(200,000)
	-	993,089
Investing activities		
Exploration and evaluation asset expenditures	**(113,616)**	(551,879)
	(113,616)	(551,879)
Change in cash during the period	**(166,644)**	220,943
Cash, beginning of period	**176,200**	111,372
Cash, end of period	**$ 9,556**	$ 332,315

Supplemental disclosure with respect to cash flows (Note 9)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was originally incorporated as 583860 B.C. Ltd. in the province of British Columbia on April 21, 1999. The Company changed its name to Vanadian Energy Corp. from Uracan Resources Ltd. on October 5, 2018. The Company is publicly listed on the TSX Venture Exchange (the "TSXV") under the symbol "VEC" and its registered and records office is located at 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3. The Company is a Canadian-based exploration company focused on exploring for vanadium deposits in Manitoba. All of the Company's assets are located in Canada. The Company has not generated revenues from operations and is considered to be in the exploration stage.

As at April 30, 2020, the Company had a working capital deficit of $840,508. The Company recorded a loss of $151,195 during the nine months ended April 30, 2020, and had an accumulated deficit of $48,828,703 as at April 30, 2020.

In October 2018, the Company consolidated its issued and outstanding share capital on the basis of one new common share for four outstanding common shares. All information with respect to the number of common shares and issuance price for the time periods prior to this share consolidation was restated to reflect the share consolidation.

While these unaudited condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business, there are conditions that cast significant doubt on the validity of this assumption. The Company's ability to continue as a going concern is dependent on management's capacity to identify additional sources of capital and to raise sufficient resources in order to fund on-going operating expenditures and the Company's development plan. Although management has been successful in the past, there is no assurance these initiatives will be successful in the future. These unaudited condensed interim financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These conditions cast significant doubt as to the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements. These unaudited condensed interim financial statements were approved by the board of directors on June 24, 2020.

(b) Recent accounting standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The standards listed below include only those which the Company reasonably expects are applicable to the Company.

IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. Effective August 1, 2019, the Company adopted this standard and it did not have a significant measurement or disclosure impact on the Company's financial statements.

3. EXPLORATION AND EVALUATION ASSETS

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

a) Huzyk Creek Vanadium Property

On December 12, 2018, the definitive agreement (the “Agreement”) was completed, whereby the Company has the right to earn up to 100% interest in the Huzyk Creek Vanadium Property (the “Property”) in north-central Manitoba. In December 2019, the Company signed an agreement to amend the terms of the payments as per below.

The Company can earn an initial 49% interest in the Property by making staged payments over three years to Rocas del Norte Incorporated (the “Vendors”) totalling $215,000, issuing 250,000 common shares and a further $157,500 in common shares and completing $2,500,000 of exploration on the Property. The staged payments are as follows:

- $25,000 in cash was paid and 250,000 common shares were issued in December 2018;
- $25,000 in cash was paid, $57,500 in common shares were issued, and $250,000 in exploration expenditures were spent by December 12, 2019;
- $25,000 in cash was paid in June 2020;
- $60,000 in cash, $50,000 in common shares and $750,000 in exploration expenditures by December 12, 2020; and
- $80,000 in cash, $50,000 in common shares and $1,500,000 in exploration expenditures by December 12, 2021.

The Company can earn an additional 21% interest in the Property by making a cash payment of $125,000, issuing $50,000 in common shares to the Vendors, and completing $2,225,000 of exploration on the Property which will include a preliminary economic assessment study by December 12, 2022.

The Company can earn the remaining 30% interest in the Property for a total 100% interest in the Property by completing a pre-feasibility study, along with a cash payment of $500,000 to the Vendors by December 12, 2024.

The Vendors will retain a 2% Net Smelter Return royalty (“NSR”) on the Property. The Company shall have the option to repurchase 1% of this NSR any time for $1,000,000 in cash or shares. The Company will also have a right of first refusal on the remaining 1% NSR if the Vendors elect to sell this interest.

During the year ended July 31, 2019, pursuant to the terms of the Agreement, the Company paid $25,000 and issued 250,000 common shares to the Vendors. The 250,000 common shares were valued at $0.12 per share, for total consideration of $30,000.

During the nine months ended April 30, 2020, pursuant to the terms of the Agreement, the Company paid $25,000 and issued 1,150,000 common shares to the Vendors. The 1,150,000 common shares were valued at $0.05 per share, for total consideration of $57,500.

In June 2020, pursuant to the terms of the Agreement, the Company paid $25,000 to the Vendors.

As at April 30, 2020, $501,726 has been spent in exploration expenditures (July 31, 2019: $422,476).

3. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Clearwater Project

In August 2014, the Company signed a definitive option agreement (the “Forum Agreement”) with Forum Uranium Corp. (“Forum”), whereby the Company had the option to earn up to a 70% interest in Forum’s Clearwater Project (the “Clearwater Project”) in northern Saskatchewan.

During the year ended July 31, 2018, the Company and Forum agreed to terminate the Forum Agreement. Forum currently owns 75% and the Company has earned a 25% interest after spending $1.5 million on exploration since August 2014.

The Company recorded an impairment of $1,542,147 to the statement of loss and comprehensive loss during the nine months ended April 30, 2019.

As at April 30, 2020, the Company continues to hold its 25% interest in the Clearwater Project, which is carried at $nil.

c) Pipewrench Lake and Narrows Lake Properties

The Company holds four claim blocks in the Pipewrench Lake and Narrows Lake areas in Saskatchewan. The Company has a 100% interest in these properties, which is carried at $nil.

d) Quebec Properties

The Company holds one contiguous claim block in the Baie Johan Beetz, area of the North Shore of the Gulf of St. Lawrence. These claims are known as the Lac Turgeon claim group. The Company has a 100% interest in this property, which is carried at $nil.

During the year ended July 31, 2019, the Company received $49,880 of Quebec exploration tax credits related to maintenance and rehabilitation expenditures incurred during the year ended July 31, 2018, all of which was recorded as income in the statements of loss and comprehensive loss during the year ended July 31, 2019.

During the nine months ended April 30, 2020, the Company received $3,537 of Quebec exploration tax credits related to maintenance and rehabilitation expenditures incurred during the year ended July 31, 2018, all of which was recorded as income in the statements of loss and comprehensive loss during the nine months ended April 30, 2020.

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets:

	Huzyk Creek Property	Total
Acquisition costs:		
Balance, July 31, 2019	$ 55,000	$ 55,000
Cash	25,000	25,000
Shares issued	57,500	57,500
Balance, April 30, 2020	137,500	137,500
Exploration costs:		
Balance, July 31, 2019	422,476	422,476
Drilling	13,364	13,364
Fuel	1,179	1,179
Logging	1,350	1,350
Sampling and analyses	10,232	10,232
Supplies and maintenance	792	792
Surveying	30,500	30,500
Travel	21,833	21,833
Balance, April 30, 2020	501,726	501,726
Total costs:		
Balance, April 30, 2020	$ 639,226	$ 639,226

	Clearwater Property	Huzyk Creek Property	Total
Acquisition costs:			
Balance, July 31, 2017 and 2018	$ 19,056	$ -	$ 19,056
Cash	-	25,000	25,000
Shares issued	-	30,000	30,000
Impairment	(19,056)	-	(19,056)
Balance, July 31, 2019	-	55,000	55,000
Exploration costs:			
Balance, July 31, 2017 and 2018	1,523,091	-	1,523,091
Airborne survey and geophysics	-	134,740	134,740
Drilling	-	238,910	238,910
Logging	-	3,377	3,377
Sampling and analyses	-	22,802	22,802
Supplies and maintenance	-	10,207	10,207
Travel	-	12,440	12,440
Impairment	(1,523,091)	-	(1,523,091)
Balance, July 31, 2019	-	422,476	422,476
Total costs:			
Balance, July 31, 2019	$ -	$ 477,476	$ 477,476

4. NOTES PAYABLE

During the year ended July 31, 2019, notes payable of $200,000 were re-paid. As at April 30, 2020, notes payable of $180,000 (July 31, 2019: $180,000) were outstanding to a director of the Company. The notes accrue interest at 6% per annum and are payable on demand. As at April 30, 2020, accrued interest on notes payable of $63,025 (July 31, 2019: $54,918) is included in amounts payable in the statements of financial position.

Subsequent to April 30, 2020, notes payable of $50,000 were issued to a director of the Company. The note accrues interest at 6% per annum and is payable on demand.

5. EQUITY

(a) Authorized

Unlimited number of common shares with no par value.
Unlimited number of preferred shares with no par value.

(b) Issued and fully paid common shares

In October 2018, the Company consolidated its issued and outstanding share capital on the basis of one new common share for four outstanding common shares (Note 1).

As at April 30, 2020, there were 42,261,150 common shares issued and outstanding.

During the nine months ended April 30, 2020, the Company issued 1,150,000 shares valued at $0.05 to the Vendors pursuant to the terms of the Agreement (Note 3(a)). During the year ended July 31, 2019, the Company issued 250,000 shares valued at $0.12 to the Vendors pursuant to the terms of the Agreement (Note 3(a)).

During the year ended July 31, 2019, the Company closed a non-brokered private placement for total proceeds of $1,250,000 through the issuance of 9,375,000 non flow-through units at $0.08 per unit and 5,000,000 flow-through shares at $0.10 per flow-through share. Each non flow-through unit consists of one common share and one-half of a warrant. Each full warrant entitles the holder to purchase one common share at $0.17 per common share until December 10, 2020. The warrants issued in connection with the non-brokered private placement were allocated a fair value of $79,748 on a relative fair value basis (Note 5(d)). Cash share issue costs of $66,756 were incurred in connection to the non-brokered private placement, of which $62,127 and $4,629 were deducted from share capital and reserves respectively, based on the pro rata allocation of the fair value on issuance of the units to share capital and reserves (Note 5(d)). A flow-through premium liability of $50,000 was allocated to the flow-through portion of the non-brokered private placement based on the difference between the issuance price and the market price of the Company's shares (Note 5(e)).

(c) Share options

The Company has established a rolling Share Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than ten years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any three month period. All other options vest at the discretion of the Board of Directors.

During the year ended July 31, 2019, 1,495,000 share options were granted to directors, officers, and consultants of the Company, vested immediately, exercisable at $0.055 per common share until April 1, 2029. Using the Black-Scholes valuation model, the grant date fair value was $64,400, or $0.0431 per option.

(Expressed in Canadian dollars)

5. EQUITY (Continued)

(c) Share options (Continued)

The following weighted average assumptions were used for the valuation of the share options:

	2019
Risk-free interest rate	1.65%
Expected life	10 years
Annualized volatility	75%
Dividend rate	0%

A summary of the changes in share options is presented below:

	Outstanding	Weighted average exercise price
Balance, July 31, 2018	2,386,250	$ 0.42
Expired	(71,250)	0.52
Granted	1,495,000	0.06
Balance, April 30, 2019 and July 31, 2019	3,810,000	0.27
Expired	(62,500)	0.52
Balance, April 30, 2020	3,747,500	$ 0.27

The following table summarizes information about the share options outstanding and exercisable at April 30, 2020:

Outstanding and exercisable	Exercise price	Expiry Date
77,500	0.52	March 22, 2021
562,500	0.52	March 3, 2024
75,000	0.64	March 18, 2024
1,437,500	0.36	September 29, 2026
100,000	0.28	February 17, 2027
1,495,000	0.055	April 1, 2029
3,747,500		

(d) Warrants

The fair value of the warrants issued in connection with the non-brokered private placement closed during the year ended July 31, 2019, was calculated as $79,748, using the Black-Scholes option pricing model with the following assumptions: i) exercise price per warrant of $0.17; ii) expected share price volatility of 75%; iii) risk-free interest rate of 1.98%; iv) expected life of 2 years; v) no dividend yield.

A summary of changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
Balance, July 31, 2018	-	$ -
Issued	4,687,500	0.17
Balance, April 30, 2019, July 31, 2019 and April 30, 2020	4,687,500	$ 0.17

(Expressed in Canadian dollars)

5. EQUITY (Continued)

(d) Warrants (Continued)

The following table summarizes information about the warrants outstanding and exercisable at April 30, 2020:

Outstanding and exercisable	Exercise price	Expiry date
4,687,500	$ 0.17	December 10, 2020

(e) Flow-through shares

Issued during the year ended July 31, 2019

During the year ended July 31, 2019, the Company issued 5,000,000 flow-through shares for gross proceeds of $500,000 (Note 5(b)). As at April 30, 2020, all of these flow-through funds have been spent. $7,752 in flow-through premium amortization was recognized as other income in the statement of loss and comprehensive loss during the nine months ended April 30, 2020 and $42,248 in flow-through premium amortization was recognized as other income in the statement of loss and comprehensive loss during the year ended July 31, 2019.

6. RELATED PARTY TRANSACTIONS

During the nine months ended April 30, 2020, the Company:

(a) Incurred consulting fees of $90,000 (2019: $90,000) and share issue costs of $nil (2019: $12,500) to a company of which a director of the Company is an officer. As at April 30, 2020, $174,000 (July 31, 2019: $79,500) is due to this company and included in amounts payable and accrued liabilities in the statements of financial position.

(b) Incurred geological consulting fees of $30,278 (2019: $30,721) to a company of which a director of the Company is an officer and director. As at April 30, 2020, $152,854 (July 31, 2019: $121,557) is due to this company and included in amounts payable and accrued liabilities in the statements of financial position.

(c) Incurred legal fees of $4,145 (2019: $16,735) and share issue costs of $nil (2019: $11,038) to a company of which a director of the Company is an officer. As at April 30, 2020, $45,970 (July 31, 2019: $42,153) is due to this company and included in amounts payable and accrued liabilities in the statements of financial position.

(d) As at April 30, 2020, notes payable of $180,000 (July 31, 2019: $180,000) and accrued interest of $63,025 (July 31, 2019: $54,918) is due to this director and included in notes payable and amounts payable and accrued liabilities, respectively, in the statements of financial position (Note 4).

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 includes:

Compensation of $22,112 (2019: $32,990) was incurred for the CEO of the Company during the nine months ended April 30, 2020.

During the year ended July 31, 2019, key management personnel compensation included share-based compensation of $57,938 (Note 5(c)).

7. FINANCIAL INSTRUMENTS

Financial Risk Management

Cash, amounts receivable, amounts payable and accrued liabilities, and notes payable are held at amortized cost which approximates fair value due to the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on cash and amounts receivable. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash and amounts receivable.

Liquidity Risk

At April 30, 2020, the Company had cash of $9,556 to settle current liabilities of $856,408 (which excludes flow-through share premium as a non-cash liability), and had a working capital deficit of $840,508. Management has concluded that the Company does not have adequate financial resources to settle obligations as at April 30, 2020, and will require additional funding to continue operations for the next twelve months (Note 1). Subsequent to April 30, 2020, the Company received $50,000 from the issuance of notes payable to a director of the Company to fulfill the $25,000 acquisition payment for the Property in June 2020 (Note 3(a)), and working capital requirements (Note 4).

Market Risk

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

I. Interest Rate Risk

The Company's notes payable bear interest at fixed rates and the Company's bank account earns interest at variable rates. The fair value of its financial instruments is relatively unaffected by changes in short-term interest rates.

II. Commodity Price Risk

Although the Company is an exploration stage company, it is subject to price risk from fluctuations in market prices of natural resource commodities since its future profitability is dependent on the market price of these commodities. The prices of commodities are affected by numerous factors beyond the Company's control. Fluctuations in commodity prices could result in future commercial production that is impracticable to the Company. Therefore, management regularly monitors natural resource commodity prices to determine the appropriate course of action to be taken by the Company.

7. FINANCIAL INSTRUMENTS (Continued)

Financial Instrument Risk Exposure (Continued)

Market Risk (Continued)

III. Equity Price Risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets. Refer to Note 1 for additional details of the Company's ability to continue as a going concern. The Company is not subject to externally imposed capital requirements.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions included:

- $1,134 (July 31, 2019: $10,500) of capitalized exploration and evaluation costs and $9,845 (July 31, 2019: $9,845) of share issue costs, included in amounts payable and accrued liabilities at April 30, 2020; and

- Total consideration of $57,500 from the issuance of 1,150,000 common shares, valued at $0.05 per share, pursuant to the Agreement (Note 3(a)).

No cash was paid for interest or income taxes during the nine months ended April 30, 2020 and 2019.

10. COVID-19 UNCERTAINTY

To the date of this report, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.