



For the Six Months Ended December 31, 2020

Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited-Prepared by Management)

- Notice of No Auditor Review of Consolidated Financial Statements
- Interim Statements of Financial Position
- Interim Statements of Comprehensive Loss
- Interim Statements of Changes in Equity
- Interim Statements of Cash Flows
- Notes to the Financial Statements

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of Ximen Mining Corp. for the period ended December 31, 2020 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of consolidated interim financial statements by an entity's auditor.

Ximen Mining Corp.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollar)

(Unaudited)

	Note	December 31, 2020 \$	June 30, 2020 \$
ASSETS			
CURRENT			
Cash		743,680	718,573
GST Recoverable		141,401	57,213
Option Payments and Exploration Advances Receivable	8	466,749	463,749
Marketable Securities	4	217,401	156,914
Prepaid Expenses and Deposits		310,097	251,132
Due from Related Party		-	320,000
		1,879,328	1,967,581
NON-CURRENT			
Reclamation Bonds	5	125,800	125,800
Property and Equipment	6	2,759,945	1,997,399
Exploration and Evaluation Assets		-	-
		4,765,073	4,090,780
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		214,999	344,485
Flow-Through Share Premium Liability	10	-	109,225
Loan Payable	9	-	13,500
Payable on acquisition of subsidiary	14	38,000	700,000
Due to Related Parties	12	10,652	8,314
		263,651	1,175,524
NON-CURRENT			
Payable on acquisition of subsidiary	14	612,500	612,500
		876,151	1,788,024
SHAREHOLDERS' EQUITY			
Share Capital	11	34,960,681	30,445,419
Share Subscriptions Received		2,500	103,750
Share-Based Payment Reserve		2,054,655	2,029,645
Reserve – Other Comprehensive Income		(45,514)	(44,211)
Deficit		(33,245,488)	(30,396,063)
Equity Attributed to Ximen Mining Corp. Shareholders		3,726,834	2,138,540
Non-Controlling Interest	7	162,088	164,216
		3,888,922	2,302,756
		4,765,073	4,090,780

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

Commitment (Note 14)

Subsequent Events (Note 18)

The accompanying notes are an integral part of the financial statements.

Approved on Behalf of the Board:

“Chris Anderson”

Chris Anderson, Director

“Scott Kent”

Scott Kent, Director

Ximen Mining Corp.

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian Dollar)

(Unaudited)

	Note	Number of Post- Consolidated Common Shares	Share Capital \$	Share Subscription Received \$	Share- Based Payment Reserve \$	Accumulated Other Comprehensive Loss	Deficit \$	Non- Controlling Interest \$	Total Shareholders' Equity \$
Balance, June 30, 2019		38,018,700	22,424,213	2,500	939,087	-	(23,142,643)	290,025	513,182
Shares Issued for Cash, Net of Share Issuance Costs	11(b)	6,882,222	2,416,391	-	-	-	-	-	2,416,391
Shares Issued for Acquisition of 0995237 B.C. Ltd	11(b),7	236,666	153,833	-	-	-	-	-	153,833
Share Subscription Received		-	-	140,550	-	-	-	-	140,550
Shares Issued on Exercise of Share Purchase Warrants	11(e)	1,250,000	225,000	-	-	-	-	-	225,000
Shares Issued on Exercise of Stock Options	11(d)	230,000	117,870	-	(54,870)	-	-	-	63,000
Fair Value of Agents' Warrants Issued			(22,895)	-	22,895	-	-	-	-
Restricted Stock Units Exercised	11(c)	500,000	187,500	-	-	-	187,500	-	375,000
Share-Based Payments	11(g)	-	-	-	638,908	-	-	-	638,908
Non-Controlling Interest	7	-	-	-	-	-	-	22,987	22,987
Net Comprehensive Loss		-	-	-	-	-	(3,560,067)	(42,675)	(3,602,742)
Balance, December 31, 2019		47,117,588	25,501,912	143,050	1,546,020	-	(26,515,210)	270,337	946,109
Balance, June 30, 2020		60,627,397	30,445,419	103,750	2,029,645	(44,211)	(30,396,063)	164,216	2,302,756
Shares Issued for Cash, Net of Share Issuance Costs	11(b)	8,807,037	3,605,895	-	-	-	-	-	3,605,895
Shares Issued for Exploration and Evaluation Assets	11(b)	1,050,000	518,750	-	-	-	-	-	518,750
Shares Issued for Acquisition of 0995237 B.C. Ltd	11(b),7	3,334	1,500	-	-	-	-	-	1,500
Shares for Debt	11(b),14	800,000	352,000	-	-	-	-	-	352,000
Share Subscription Received		-	-	(101,250)	-	-	-	-	(101,250)
Shares Issued on Exercise of Share Purchase Warrants	11(e)	200,000	60,000	-	-	-	-	-	60,000
Shares Issued on Exercise of Agent Warrants	11(f)	1,600	739	-	(259)	-	-	-	480
Shares Issued on Exercise of Stock Options	11(d)	100,000	30,000	-	(25,781)	-	25,781	-	30,000
Fair Value of Agents' Warrants Issued	11(f)(g)	-	(53,622)	-	53,622	-	-	-	-
Fair Value of Agents' Warrants Expired		-	-	-	(2,572)	-	2,572	-	-
Non-Controlling Interest	7	-	-	-	-	-	-	(197)	(197)
Net Loss for the Period		-	-	-	-	-	(2,877,778)	(1,931)	(2,879,709)
Other Comprehensive Loss for the Period		-	-	-	-	(1,303)	-	-	(1,303)
Balance, December 31, 2020		71,589,368	34,960,681	2,500	2,054,655	(45,514)	(33,245,488)	162,088	3,888,922

Ximen Mining Corp.

Condensed Interim Statements of Comprehensive Loss

(Expressed in Canadian Dollar)

(Unaudited)

	Note	Three Months Ended December 31,		Six Months Ended December 31,	
		2020	2019	2020	2019
		\$	\$	\$	\$
EXPENSES					
Accounting, Audit and Legal Fees		29,600	27,558	38,236	45,088
Advertising and Marketing		75,053	125,962	515,160	291,830
Bank Charges and Interest/Recovery		177	(143)	21,975	679
Consulting Fees		105,675	17,733	271,610	151,133
Depreciation	6	72,011	3,986	129,503	7,972
Exploration and Evaluation Expenditures	7	571,638	1,226,788	1,562,956	1,585,695
Management Fees		77,400	62,000	122,400	112,000
Office and Administration Fees		69,595	61,787	257,545	131,589
Regulatory Fees and Transfer Agent		12,098	9,831	23,608	17,817
Rent and Utilities		18,600	10,500	47,700	21,000
Stock-Based Compensation		-	-	-	1,013,908
Travel and Accommodations		32,782	72,150	58,728	104,346
LOSS BEFORE OTHER ITEMS		(1,064,629)	(1,618,152)	(3,049,421)	(3,483,057)
Mineral Exploration Property Recovery		-	-	-	91,228
Reversal of Flow-Through Share Premium Liability		-	-	109,225	-
Write-(Down) Up of Marketable Securities to Market	4	51,487	(121,936)	60,487	(210,913)
NET COMPREHENSIVE LOSS FOR THE PERIOD		(1,013,142)	(1,740,088)	(2,879,709)	(3,602,742)
Attributable to Shareholders		(1,012,588)	(1,719,256)	(2,877,778)	(3,560,067)
Attributable to Non-Controlling Interest		(554)	(20,832)	(1,931)	(42,675)
		(1,013,142)	(1,740,088)	(2,879,709)	(3,602,742)
BASIC AND DILUTED LOSS PER SHARE		(0.01)	(0.04)	(0.04)	(0.085)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		69,956,504	44,984,391	67,200,655	42,229,989

The accompanying notes are an integral part of the financial statements.

Ximen Mining Corp.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollar)

(Unaudited)

	Six Month Ended December 31,	
	2020	2019
	\$	\$
CASH PROVIDED FROM (UTILIZED FOR):		
OPERATING ACTIVITIES		
Net Comprehensive Loss for the Year	(2,879,709)	(3,602,742)
Non-Cash Items		
Depreciation	129,503	7,972
Stock-Based Compensation	-	1,013,908
Exploration and Evaluation Expenditures	518,750	176,819
Shares Issued as Payment on Loan	352,000	-
Reversal of Flow-Through Share Premium Liability	(109,225)	-
Write (Up) Down of Marketable Securities to Market	(60,487)	210,913
	(2,049,168)	(2,193,130)
Change in Non-Cash Working Capital Accounts		
GST Recoverable	(84,188)	(30,260)
Prepaid Expenses and Deposits	(58,964)	(25,200)
Option Payments and Exploration Advances Receivable	(3,000)	52,322
Accounts Payables and Accrued Liabilities	(129,488)	(144,787)
Due to/from Related Parties	322,338	(257,101)
	(2,002,470)	(2,598,156)
INVESTING ACTIVITIES		
Purchase of Equipment	(892,048)	(22,889)
Reclamation Bonds	-	(27,500)
	(892,048)	(50,389)
FINANCING ACTIVITIES		
Proceeds from Issuance of Shares, Net of Share Issuance Costs	3,605,895	2,416,391
Share Subscription Received	(101,250)	140,550
Proceeds from Exercise of Share Purchase Warrants	60,000	225,000
Proceeds from Exercise of Agents' Warrants	480	-
Process from Exercise of Stock Options	30,000	63,000
Repayment of Loan	(675,500)	-
	2,919,625	2,844,941
INCREASE IN CASH	25,107	196,396
Cash, Beginning of the Year	718,573	41,164
CASH, END OF THE YEAR	743,680	237,560

Supplementary Cash Flow Information (Note 13)

The accompanying notes are an integral part of the interim financial statements.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Ximen Mining Corp. (the “Company”) was incorporated under the Business Corporations Act in British Columbia on December 4, 2006, as Everett Resources Ltd. and changed its name to Elm Tree Minerals Inc. on March 19, 2012. On September 4, 2013, the Company changed its name to Ximen Mining Corp. On July 4, 2013, the Company consolidated its share capital, options and warrants on a five to one basis. In addition, on January 8, 2018, the Company consolidated its share capital, options, and warrants at a ratio of five common shares to one common share. These financial statements reflect the retroactive application of both share consolidations.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in British Columbia. The Company’s shares are listed on the TSX Venture Exchange under the symbol XIM, on the Frankfurt Exchange under the symbol 1XMA, and on the US OTCQB, under the symbol XXMMF. The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, 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. Accordingly, it does not give effect to adjustments that, if any, would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at December 31, 2020, the Company has an accumulated deficit of \$33,248,060 and working capital of \$1,615,677. The Company’s ability to continue operations is dependent upon the financial support from its shareholders and other related parties, its ability to obtain additional financing, the existence of economically recoverable reserves, and the attainment of profitable operations or enough proceeds from disposition of the properties. The outcome of these matters cannot be predicted at this time. While management has been successful in obtaining enough funding for its operating, capital, development, and exploration requirements from the inception of the Company to date, there is no assurance that additional future funding will be available to the Company or on terms that are acceptable to management.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

The current cash resources are not adequate to pay the Company’s accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs; accordingly, there is significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The interim financial statements have been prepared in accordance to IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The 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.

These unaudited financial statements were approved and authorized for issue by the board of Directors on February 26, 2021.

b) Basis of Preparation

These interim financial statements do not include all the information required for full annual financial statements. The condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year ended June 30, 2020. The accounting policies, methods of computation and presentation applied in these financial statements are consistent with those of the previous financial year.

NOTE 3 – NEW ACCOUNTING STANDARDS ISSUED

IFRS 16 – Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 “Leases”, and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019. The Company has determined there is no impact of this standard on its financial statements.

NOTE 4 – MARKETABLE SECURITIES.

Marketable securities consist of a portfolio of investments held for trading. The fair value of the marketable securities has been determined directly by reference to public price quotations in an active market. These marketable securities are comprised of common shares of publicly traded companies and are classified as fair value through profit or loss and measured at fair value with unrealized gains and losses recognized through the statement of operations.

	December 31, 2020 \$	June 30, 2020 \$
Opening Balance	156,914	364,847
Marketable Securities Purchased (at Cost)	-	-
Marketable Securities Received from Property Option Sales	-	-
Marketable Securities Sold (at Cost)	-	-
Write – Up (Down) of Marketable Securities to Market Value	60,487	(207,933)
Advances from Trading Account	-	-
	217,401	156,914

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 5 – RECLAMATION BONDS

The Company posts non-interest-bearing reclamation bonds against any potential land restoration costs that may be incurred in the future on its mineral properties. The funds are held in trust and may be released after required reclamation is satisfactorily completed.

As at December 31, 2020, the amount on deposit was \$125,800 (June 30, 2020 – \$125,800) with respect to the Brett Property (\$31,000), Gold Drop Property (\$38,000), Treasure Mountain Property (\$5,000), Providence Property (\$6,000) and Kenville Property (\$45,800).

NOTE 6 – PROPERTY AND EQUIPMENT

	Vehicle \$	Property and Equipment \$	Office Furniture \$	Total \$
COST				
Balance, June 30, 2019	60,000	1,748,186	4,000	1,812,186
Additions	-	22,888	-	22,888
Balance, December 31, 2019	60,000	1,771,074	4,000	1,835,074
Balance, June 30, 2020	245,889	1,771,074	12,667	2,029,630
Additions	307,105	573,957	10,987	892,049
Balance, December 31, 2020	552,994	2,345,031	23,654	2,921,679
ACCUMULATED DEPRECIATION				
Balance, June 30, 2019	-	12,288	4,000	16,288
Depreciation	6,000	1,972	-	7,972
Balance, December 31, 2019	6,000	14,260	4,000	24,260
Balance, June 30, 2020	12,000	16,231	4,000	32,231
Depreciation	43,331	84,206	1,966	129,503
Balance, December 31, 2020	55,331	100,437	5,966	161,734
NET BOOK VALUE				
Balance, June 30, 2020	233,889	1,754,843	8,667	1,997,399
Balance, December 31, 2020	497,663	2,244,594	17,688	2,759,945

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 7 – INVESTMENT IN KENVILLE GOLD MINE AND PROPERTY

In April and May 2019, the Company entered into various agreements whereby it acquired approximately 78% of the issued and outstanding shares of 0995237 B.C. Ltd (“099 BC”), a private arm’s length company, in exchange for common shares and future cash payments by the Company. The principal asset of 099 BC is its option to acquire the Kenville Gold Mine, located west of Nelson, B.C.

Acquisition of Subsidiary - 0995237 B.C. Ltd.

In May 2019, the Company issued a total of 3,528,769 common shares from treasury (approximately 10.62% of the Company’s total issued outstanding common shares) for common shares and notes payable of 099 BC as follows:

- (i) 2,253,769 common shares of the Company, fair valued at \$1,115,616, to former shareholders of 099 BC in exchange for 43,261,811 common shares of 099 BC, representing 78% of the total outstanding common shares of 099 BC (the “78% Interest”).
- (ii) 1,275,000 common shares of the Company, fair valued at \$631,125, to a former shareholder of 099 BC in exchange for his promissory note receivable from 099 BC – principal amount of \$1,000,000 plus accrued interest receivable of \$118,388, for total face value of \$1,118,388. The excess of the total face value of the note payable and interest over the fair value of the Company’s shares issued, \$487,263, is recognized as gain on assumption of the promissory note payable.

The Company also has additional obligations as it acquired the following payables of 099 BC from a former shareholder of 099 BC as follows:

- (iii) Cash payable of \$980,000 in exchange for 099 BC note payable – principal amount of \$780,000 plus accrued interest payable of \$1,177,865, for total face value of \$1,957,865. The excess of the total face value of the note payable and interest over the future cash payment, \$977,865, is recognized as gain on assumption of the promissory note payable. This future cash payment is unsecured, is non-interest bearing, and includes repayment dates (Note 14).
- (iv) Cash payable of \$400,000 in exchange for the same amount of debt owed to a former shareholder of 099 BC who paid for a mining equipment owned by 099 BC. This future cash payment is unsecured, is non-interest bearing, and includes repayment dates.
- (v) Assumption of debt totaling \$270,000 to two former shareholders of 099 BC by 099 BC. This amount was incurred on exploration expenditures related to Kenville property.

The following table summarizes the recognized fair value amounts of assets acquired and liabilities assumed on May 30, 2019, the date of acquisition of 78% interest in 099 BC:

	\$
Cash	11,552
Term Deposit (Reclamation Bond)	45,800
GST Recoverable	3,451
Property	984,200
Equipment purchase	708,262
Accounts Payable	(400,793)
Promissory Notes Payable (8(ii)(iii))	(3,076,253)
Royalty Option Payable	(220,000)
Shareholder Advances (8(v))	(79,000)
Net Liabilities of 0995237 B.C. Ltd.	(2,022,781)

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 7 – INVESTMENT IN KENVILLE GOLD MINE AND PROPERTY (Continued)

The acquisition of 78% interest of 099 BC by the Company does not meet the requirement of IFRS 3, Business Combination. As such, this acquisition was accounted for under IFRS 6, Exploration and Evaluation of Mineral Resources. The premium of the consideration paid by the Company over the net liabilities of the acquired 099 BC was expensed as exploration and evaluation expenditures as the Company's accounting policy is expensing both the acquisition costs and exploration costs during the period where the expenditures were incurred.

Acquisition of Subsidiary - 0995237 B.C. Ltd. (Continued)

The fair value of the consideration given by the Company for the 78% controlling interest in 099 BC, was \$1,115,616, (2,253,769 common shares issued at \$0.495 per share). The fair value of the 22% non-controlling interest in 099 BC was therefore valued at \$314,661, using the 78% valuation amount. Accordingly, the premium in the amount of \$3,453,057, comprising of the fair value of the shares issued by the Company plus the fair value of the 22% non-controlling interest, totaling \$1,430,277, over the fair value of the net liabilities of 0995237 BC Ltd. acquired by the Company, were recognized as exploration and evaluation expenditures for 2019.

On July 3, 2019, as part of the acquisition of 099 BC, the Company acquired an additional 4,733,320 shares of 099 BC by issuing 236,666 common shares to shareholders of 099 BC. On June 8, 2020, the Company acquired an additional 400,000 shares of 099 by issuing 20,000 common shares. The additional shares purchased brings the total percentage owned of 099 BC from 78% to 88%. The fair value of the consideration given by the Company for the additional 10% of non-controlling interest was \$167,033 including \$153,833 (236,666 common shares issued at \$0.65 per share) and \$13,200 (20,000 common shares issued at \$0.66 per share). The carrying value of the additional 10% non-controlling interest was \$122,822 prior to the acquisition of these non-controlling interests by the Company. The difference between the fair value of the consideration paid by the Company (\$167,033) and the carrying value (\$122,822), \$44,211, was charged to other comprehensive loss in 2020. On July 7, 2020, the Company acquired a further 66,667 shares of 099 by issuing 3,334 shares, fair valued at \$1,500. The difference between the fair value of the consideration paid and the carrying value equaled \$1,303 which was charged to other comprehensive loss for the period ended December 31, 2020.

Acquisition of Royalty Option from Gungnir Resources Inc.

On April 25, 2019, the Company entered into into a royalty option agreement with Gungnir Resources Inc. ("Gungnir") to acquire Gungnir's receivable from 099 BC in the amount of \$220,000 and all of Gungnir's remaining interest in its 4% gross metal royalty over 099 BC owned Kenville Gold Mine Property for total consideration of \$1,700,000. The option is exercisable at the Company's sole discretion.

To exercise the option under the option agreement, , the Company is required to pay the \$1,700,000 as follows:

- \$500,000 in cash (paid);
- \$200,000 in common shares of Ximen (285,918 shares issued fair valued at \$142,959);
- \$1,000,000 in cash, to be paid on or before October 31, 2019 (paid).

The exercise of the option is conditional on Ximen paying the full purchase price as set out above and receipt of TSXV approval. TSXV approved the transaction on May 24, 2019.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS

Cumulative acquisition and exploration costs incurred by the Company to December 31, 2020 on its mineral properties are summarized below.

	Brett \$	Gold Drop \$	Treasury Mountain \$	Kenville \$	Bouleau, Dentonia, Providence \$	Various, (i)(j)(k)(l) (m)(n)(o)(p) \$	General Exploration \$	Total \$
Balance, June 30, 2019	5,586,992	497,242	179,887	4,155,412	94,171	773,294	163,452	11,450,450
Acquisition Costs	-	-	-	1,176,819	-	-	33,000	1,209,819
Exploration Costs	28,167	7,690	124,984	313,835	777	-	423	475,876
Exploration Advance	-	-	(69,728)	-	-	-	(21,500)	(91,228)
Option payments received	-	(100,000)	-	-	-	-	-	(100,000)
Balance, Dec 31, 2019	<u>5,615,159</u>	<u>404,932</u>	<u>235,143</u>	<u>5,646,066</u>	<u>94,948</u>	<u>773,294</u>	<u>175,375</u>	<u>12,944,917</u>
Balance, June 30, 2020	5,681,738	414,489	165,416	5,858,308	812,505	2,741,029	148,122	15,821,607
Acquisition Costs	-	-	-	-	-	518,750	33,050	551,800
Exploration Costs	54,172	71,858	-	534,813	344,740	-	5,574	1,011,156
Exploration Advance	-	-	-	-	-	-	-	-
Option payments received	-	-	-	-	-	-	-	-
	<u>54,172</u>	<u>71,858</u>	<u>-</u>	<u>534,813</u>	<u>344,740</u>	<u>518,750</u>	<u>38,624</u>	<u>1,562,956</u>
Balance, Dec 31, 2020	<u>5,735,910</u>	<u>486,347</u>	<u>165,416</u>	<u>6,393,121</u>	<u>1,157,245</u>	<u>3,259,779</u>	<u>186,746</u>	<u>17,384,563</u>

Title to mineral properties 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 mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Brett Property, British Columbia, Canada

On December 3, 2013, the Company entered into an option agreement to acquire a 100% interest in the Brett Gold Project situated in the North Okanagan region of southwest British Columbia approximately 29 kilometers west of Vernon. Under the terms of the agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$1,000,000, issuing 200,000 common shares, and issuing additional common shares of the Company with an aggregate deemed value of \$350,000 as follows:

		Number of Shares	Cash \$
On execution of agreement	(Paid)	-	50,000
By December 18, 2013	(Paid)	-	50,000
By December 23, 2013	(Issued – fair valued at \$290,000)	200,000	-
By January 17, 2014	(Paid)	-	200,000
By January 05, 2015	(Paid)	-	300,000
By January 05, 2015	(Issued – fair valued at \$126,000)	140,000	-
By December 03, 2015	(Paid)	-	400,000
By December 03, 2015	(Issued – fair valued at \$166,667)	666,667	-
		<u>1,006,667</u>	<u>1,000,000</u>

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

The Company has earned a 100% undivided interest as it has complied with all the terms of the option agreement.

On January 24, 2014, the Company entered into an option agreement to acquire a 100% interest in the 2% net smelter royalty (“NSR”) on the Brett Gold Project. The agreement was amended on February 14, 2017 and May 17, 2017 under the following amended terms: the issuance of \$50,000 worth of the Company’s common shares based on a ten day weighted average upon signing of the amended agreement, the issuance of \$420,000 worth of the Company’s common shares upon TSX approval of the amended agreement, the payment or issuance of \$60,000 in cash or common shares of the Company on February 18, 2018 and \$75,000 on February 18, 2019, and final cash payment of \$830,000 payable by February 20, 2020.

On December 4, 2018, the agreement was further amended whereby the outstanding amount of \$905,000 would be made in a final payment of 2,400,000 shares at a deemed price of \$0.30 for a total of \$720,000 thereby completing any and all payments. TSX approval was received on December 7, 2018. The fair value recognized of \$912,000 was based on the closing quoted price of the Company’s share at the date of issuance.

		Number of Shares	Cash \$
By February 20, 2014	(Issued – fair valued at \$30,000)	20,000	-
By February 20, 2015	(Issued – fair valued at \$49,077)	51,660	-
By February 20, 2016	(Issued – fair valued at \$67,739)	225,800	-
By February 18, 2017	(Issued – fair valued at \$56,601)	125,780	-
Upon TSX Approval	(Issued – fair valued at \$210,000)	1,200,000	-
By February 18, 2018	(Issued – fair valued at \$59,993)	352,900	-
By December 7, 2018	(Issued – fair valued at \$912,000)	2,400,000	-
		4,376,140	-

b) Gold Drop Property, British Columbia, Canada

On November 27, 2013, the Company entered into an option agreement to acquire a 100% interest in the Gold Drop Property located about 9 kilometers northeast from Greenwood, British Columbia, in the Greenwood Gold Mining district. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$170,000, and issuing an aggregate of 150,000 common shares as follows:

		Number of Shares	Cash \$
On November 27, 2013	(Paid)	-	25,000
On February 23, 2014	(Issued – fair valued at \$49,500, and paid)	30,000	15,000
By February 24, 2015	(Issued – fair valued at \$120,000, and paid)	50,000	60,000
By February 24, 2016	(Issued – fair valued at \$168,000, and paid)	70,000	70,000
		150,000	170,000

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

During the year ended June 30, 2016, the Company earned a 100% undivided interest by making the final cash payment of \$70,000, therefore, complying with all the terms of the option agreement.

On June 21, 2016, the Company entered into an option agreement with GGX Gold Corp. (“GGX”) to sell its 100% interest in the Gold Drop Property. GGX is required to make cash option payments totalling \$400,000, issue 1,000,000 common shares, issue additional common shares with a fair value of \$450,000, and incur exploration expenditures on the property as follows:

Cash Payments:

- \$50,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture (received); and
- \$100,000 on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019 (received).

Share Payments:

- 1,000,000 common shares within five business day following the approval by TSX Venture (received); and
- Additional common shares with a fair value of \$150,000 per year on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019 (received).

Exploration Expenditures:

- A minimum of \$1,000,000 on the property on or before July 26, 2019, but not less than \$150,000 per year on the property on or before July 26, 2017, July 26, 2018, and July 26, 2019. The option agreement was completed in the year ended June 30, 2020.

The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which GGX may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with GGX by paying to GGX the amount of money equal to 30% of the total amount expended on the Property by GGX.

If the Company exercises this joint venture right, the Company and GGX will enter into a joint venture for the exploration and development of the Property.

The transaction was approved by TSX Venture on July 26, 2016.

GGX has a common director and officer of the Company.

c) Treasure Mountain Property, British Columbia, Canada

In March 2014, the Company entered into an option agreement whereby the Company acquired a 100% interest in the Treasure Mountain property located 30 kilometres east of Hope, British Columbia by making cash payments as follows: \$75,000 cash upon signing of the agreement (paid) and \$50,000 cash due 90 days after the signing of the agreement (paid).

In 2014, the Company also acquired a 100% interest in three surrounding mineral claims for cash payments of \$70,000 (paid).

On December 7, 2016, the Company acquired a mineral tenure claim north of Treasure Mountain Property for cash payment of \$15,000 (paid) from a director of the Company. The agreement is subject to a 2% net smelter return royalty (“NSR”) payable to the vendor.

On November 30, 2016, the Company entered into an option agreement with New Destiny Mining Corp (“New Destiny”) to sell its 100% interest in all mineral claims which comprise the Treasure Mountain Property. New Destiny is required to make cash and or issue common shares totalling \$400,000, issue an aggregate of 500,000 common shares, and incur exploration expenditures on the property as follows:

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

Cash Payments:

- \$25,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture;
- 75,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) per year on or before the first (received), second (not received), and third anniversaries of the approval by TSX Venture; and
- \$100,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) on or before the fourth anniversary of the approval by TSX Venture.

Share Payment:

- 500,000 common shares with a minimum fair value of \$50,000 within five business day following the approval by TSX Venture (received).

Exploration Expenditures:

- Annual minimum exploration expenditures of \$100,000, \$150,000, \$250,000, and \$250,000 on the property in each year ending on or before the first, second, third, and fourth anniversaries, respectively, of the approval by TSX Venture.

The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which New Destiny may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with New Destiny by paying to New Destiny the amount of money equal to 30% of the total amount expended on the Property by New Destiny. If the Company exercises this joint venture right, the Company and New Destiny will enter into a joint venture for the exploration and development of the Property.

The transaction was approved by TSX Venture on November 9, 2017. The Company and New Destiny have a common director and officer.

d) Kenville Property, British Columbia, Canada

In April and May 2019, the Company entered into various agreements whereby it acquired approximately 78% of the issued and outstanding shares of 0995237 B.C. Ltd (“099 BC”), a private arm’s length company, in exchange for common shares and future cash payments by the Company. The principal asset of 099 BC is its option to acquire the Kenville Gold Mine, located west of Nelson, B.C.

The acquisition costs comprised of: (i) the premium on the acquisition of 099 BC in the amount of \$3,429,334, the assumption of additional debts from former shareholders of 099 BC in the amount of \$191,000, and the considerations paid by the Company to Gungnir in the amount of \$500,000 (cash) and issuance of 200,000 shares with fair value of \$142,959, less assumption of the receivable from 099 BC in the amount of \$220,000.

During the year ended June 30, 2020 and the period ended September 30, 2020, the Company increased its percentage ownership of 099 BC from 78% to 88% (Note 7).

e) Cariboo-Armelia (“Cararmelia”) Property, British Columbia, Canada

On June 4, 2019, the Company entered into an agreement to acquire crown granted mineral properties covering the Cariboo-Armelia gold mine in Camp McKinney in British Columbia. The acquisition includes crown-granted claims: Molson, Paragon, Burley#1, Edward VII, Wonder Y, Last Chance, Fontenoy, Emma, Alice, Cariboo, Armelia, Okanagan, Maple Leaf, Sawtooth and Wiarton. The properties Maple Leaf and Wiarton also include the surface rights as originally granted. In exchange for the 100% interest in all these properties, the Company issued 212,888 common shares fair valued at \$93,671.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

f) Bouleau Property, British Columbia, Canada

On July 15, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Bouleau Property which is adjacent to the Company's Brett property located near Vernon, British Columbia. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling US\$250,000, and issuing additional common shares of the Company with an aggregate deemed value of \$300,000 as follows:

		Number of Shares	Cash US\$
On September 05, 2014	(Paid)	-	100,000
On September 05, 2014	(Issued – fair valued at \$102,174)	43,478	-
By March 05, 2015	(Paid)	-	50,000
By March 05, 2015	(Issued – fair valued at \$67,211)	96,015	-
By September 30, 2015	(Paid)	-	50,000
By September 30, 2015	(Issued – fair valued at \$46,260)	264,340	-
By March 05, 2016	(Paid)	-	50,000
By March 05, 2016	(Issued – fair valued at \$72,545)	241,818	-
By September 05, 2016	(Issued – fair valued at \$82,944)	107,025	-
		752,676	250,000

During the year ended June 30, 2017, the Company earned a 100% undivided interest by making the final share issuance payment, therefore, complying with all the terms of the option agreement.

g) Dentonia Property, South, British Columbia, Canada

On August 29, 2014, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Dentonia South Property, located 10 miles south of Greenwood, British Columbia, by issuing 30,000 common shares fair valued at \$51,000.

h) Providence Property, South, British Columbia, Canada

In August 2017, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Providence South Property, near Greenwood, British Columbia, by issuing a total of 280,000 common shares fair valued at \$53,000.

i) Nelson California and Camp McKinney, Southern British Columbia, Canada

In February 2020, the Company entered into an agreement with an arm's length individual to acquire mineral claims comprising of the Nelson California gold mineral claim and the Camp McKinney gold mineral claim in Southern British Columbia. For consideration, the Company issued 111,111 common shares fair valued at \$50,000 and cash payment of \$30,000.

j) Ron Gold, Clubine, Hughes and Quartz Mountain, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its properties located in British Columbia including the Ron Gold Property, the Clubine Property, the Hughes Property and the Quartz Mountain Property. The properties total 98 mineral claims covering 1,171 hectares and one crown granted mineral claim of 8.7 hectares located in southeastern British Columbia. For consideration, the Company paid \$100,000 cash, issued 1,000,000 shares fair valued at \$410,00 and issued 1,000,000 share purchase warrants exercisable at \$0.45 for a 24 month period, fair valued at \$200,000.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

k) Stewart and Rozan, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of Stewart and Rozan properties located in southeastern British Columbia. The two properties consist of 60 mineral claims covering a total of 7,739 hectares. For consideration, the Company paid \$100,000, issued 1,275,000 shares fair valued at \$369,750 and 1,275,000 share purchase warrants at \$0.45 per share for three years, increasing to \$0.55 per share in year 4 and year 5 from the date of issuance, fair valued at \$342,000.

l) 49er Creek and Queen Victoria, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southeastern British Columbia. The properties cover a total of 105 mineral claims covering approximately 4,276 hectares. For consideration, the Company paid \$100,000 and issued 1,400,000 shares fair valued at \$525,000.

m) Bud-Elk Property, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southeastern, British Columbia. The properties consist of 6 mineral claims covering a total of 380.6 hectares. For consideration, the Company issued 388,888 shares fair valued at \$147,777.

n) Ymir Property, Southern British Columbia, Canada

In June 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southern, British Columbia. The properties consist of 11 mineral claims covering a total of 1,600 hectares. For consideration, the Company issued 600,000 shares fair valued at \$318,000.

o) Venus and Juno Gold Mines, Southern British Columbia, Canada

In July 2020, the Company entered into an option agreement with an arm's length company to acquire 100% of its mineral properties located in southern British Columbia. The properties consist of 5 mineral claims covering a total of 231 hectares. As consideration, the Company has agreed to pay \$100,000 in cash and issue 200,000 shares over four years. In October 2020, the Company issued 50,000 shares fair market valued at \$18,750. The agreement indicates a 1% NSR which can be purchased back for \$500,000.

p) Golden Crown, Southern British Columbia, Canada

In July 2020, the Company acquired 3% net smelter royalties covering properties located in the Greenwood mining camp in Southern British Columbia and a royalty on material processed in the Boundary Falls mill. Terms of the agreement include the issuance of 1,000,000 shares (issued). The transaction is subject to TSX and regulatory approval and the vendor has entered into a voting trust agreement whereby the share will be voted in favour of management.

NOTE 9 – LOAN PAYABLE

During the year ended June 30, 2020, the Company entered into an agreement with an arm's length individual for a loan of \$13,500. The loan is unsecured, non-interest bearing and has no terms of repayment.

The loan was paid back in full in the first quarter of the fiscal.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 10 – FLOW-THROUGH SHARES PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability is as follows:

	December 31, 2020	June 30, 2020
	\$	\$
Opening Balance	109,225	-
Flow-Through Share Premium Liability obligation due to issuance of Flow-Through Shares	-	180,632
Settlement pursuant to incurring Qualified Expenditures	(109,225)	(71,407)
	<u>-</u>	<u>109,225</u>

During the year 2020, the Company raised flow-through funds totaling \$1,501,700 and has incurred \$891,082 in qualifying mineral explorations. As at June 30, 2020, the Company has unspent flow-through funds totaling \$610,618. Flow through share premium liability arises only when flow-through shares are issued at a premium over non-flow through shares.

During the period ended December 31, 2020, the Company expended the remaining flow-through funds. The Company has renounced the qualified expenditures to the shareholders causing the reversal of the flow-through share premium liability on the financial statements.

NOTE 11 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited common shares without par value

b) Issued and Outstanding Share Capital

As at December 31, 2020, there were 71,589,368 (June 30, 2020 – 60,627,397) common shares issued and outstanding.

The following share issuances occurred during the period ended December 31, 2019:

- On July 3, 2019, as part of the acquisition of 099 BC (Note 7), the Company acquired an additional 4,733,320 shares of 099 BC by issuing 236,333 common shares to shareholders of 099 BC.
- On July 11, 2019, the Company closed the first tranche of its draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$250,000 from Alumina by issuing 480,770 units consisting of one common share priced at \$0.52 per share and eighteen month warrants exercisable at \$0.8125 per share.
- On July 26, 2019, the Company closed its second tranche of its draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$250,000 from Alumina by issuing 446,428 units consisting of one common share priced at \$0.56 per share and eighteen month warrants exercisable at \$0.875 per share.
- On September 18, 2019, the Company closed its third tranche of its draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$150,000 from Alumina by issuing 487,804 units consisting of one common share priced at \$0.3075 per share and eighteen month warrants exercisable at \$0.5125 per share.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 11 – SHARE CAPITAL (Continued)

- During the three-month period ended December 31, 2019, the Company completed a non-brokered private placement of 3,155,167 units for gross proceeds of \$946,550. Each unit consists of once common share priced at \$0.30 and one transferrable common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of 18 months, an additional common share at an exercise price of \$0.45. The Company completed the offering, closing tranches in October, November and December.
- During the three-month period ended December 31, 2019, the Company completed a non-brokered private placement of 2,312,053 Flow-Through shares for gross proceeds of \$901,701. The Flow-Through share consists of one common share priced at \$0.39 that qualifies as a ‘flow-through share’ as defined in subsection 66(15) of the Income Tax Act. and one transferrable common share purchase warrant. The Company completed the offering, closing tranches in October, November and December. The Company paid cash commission of \$52,500 (\$35,000 and \$17,500) and issued 123,616 (44,872 and 89,744) Agents’ warrants. The Agents’ warrants may be exercised for a period of two years at a price of \$0.39.
- During the period ended December 31, 2019, the Company issued 500,000 shares upon the exercise of restricted stock units. The shares had a fair market value of \$187,500.

The following share issuances occurred during the period ended December 30, 2020:

- In July 2020, the Company acquired as part of the acquisition of 099 BC (Note 7), an additional 66,667 shares of 099 BC by issuing 3,334 common shares, fair valued at \$1,500 to a shareholder of 099 BC. The Company currently holds 88% of all outstanding shares of 099 BC.
- In July 2020, the Company acquired 3% net smelter royalties covering properties located in the Greenwood mining camp in Southern British Columbia and a royalty on material processed in the Boundary Falls mill. Terms of the agreement include the issuance of 1,000,000 shares (issued). The transaction is subject to TSX and regulatory approval and the vendor has entered into a voting trust agreement whereby the share will be voted in favour of management (Note 8(p)).
- In July and August 2020, the Company completed two non-brokered private placements of 1,920,276 units at a price of \$0.45 per unit for gross proceeds of \$864,124 and 1,667,532 units at a price of \$0.60 for gross proceeds of \$1,000,519. For both offerings, one unit consists of one common share and one transferable common share purchase warrant. One warrant entitles the holder to purchase, for a period of 2 years from the date of issue, one additional common share at an exercise price of \$0.75 per share.
- In July 2020, the Company closed a draw-down equity financing facility with Alumina. The Company drew down \$236,363 from Alumina by issuing 454,545 units consisting of one common share priced at \$0.52 per share and two year warrants exercisable at \$0.8125 per share.
- In September 2020, the Company issued 800,000 shares fair valued at \$352,000 as payment on loans owing (Note 14).
- In October 2020, the Company closed a flow-through financing by issuing 1,875,000 flow-through shares at a price of \$0.40 per share for gross proceeds of \$750,000. Each flow-through share consists of once common share that qualifies a ‘flow-through’ as defined in subsection 66(15) of the Income Tax Act.
- In October 2020, the Company issued 50,000 shares fair valued at \$18,750 as payment on an option agreement for the Venus and Juno gold mine properties (Note 8 (o)).
- In November 2020, the Company announced closed a financing by issuing 1,600,000 units at a price of \$0.255 per unit for gross proceeds of \$408,000. Each unit issued consists of once common share and one transferable common share purchase warrant. Each warrant will entitle the hold to purchase one additional common share of the Issuer at an exercise price of \$0.35 for a period of two years from date of issuance.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 11 – SHARE CAPITAL (Continued)

- In November 2020, the Company closed a draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$250,000 from Alumina by issuing 694,444 units consisting of one common share priced at \$0.36 per share and three year warrants exercisable at \$0.60 per share.
- In November 2020, the Company closed a flow-through financing by issuing 595,240 flow-through shares at a price of \$0.42 per share for gross proceeds of \$250,000. Each flow-through share consists of once common share that qualifies a ‘flow-through’ as defined in subsection 66(15) of the Income Tax Act.
- During the period ended December 31, 2020, the Company issued 100,000 shares for gross proceeds of \$30,000 on exercise of stock options. The Company also issued 200,000 shares for gross proceeds of \$60,000 on exercise of share purchase warrants and 1,600 shares for gross proceeds of \$480 on exercise of Agents’ warrants.

c) Shares Issued Under Restricted Stock Unit (RSU) Plan

During the year ended June 30, 2019, the board of directors approved the adoption of a new Restricted Share Unit Plan (“RSU Plan”), which was approved by the shareholders. The RSU Plan allows the eligible person to acquire restricted share units of the Company and is designed to provide the Company with an additional tool to compensate certain directors, officers, consultants and other key employees of the Company. The maximum number of RSU units that the Company may grant is 2,250,000 units.

During the period ended December 31, 2020, the Company issued Nil (2019 - 500,000) common shares with a fair value of \$Nil (2019 - \$375,000) to employees, consultants, and directors of the Company, pursuant to the RSU plan.

d) Stock Options

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

The continuity schedule of stock options for the period ended December 31, 2020 is as follows. The Company had 2,120,000 outstanding options with a weighted average exercise price of \$0.56 and an average remaining life of 2.70 years.

Expiry Date	Exercise Price	June 30, 2020	Granted	Exercised	Expired/ Cancelled	December 31, 2020
February 2, 2021	\$0.25	155,000	-	-	-	155,000
October 5, 2021	\$0.75	130,000	-	-	-	130,000
November 22, 2021	\$0.60	210,000	-	-	-	210,000
February 14, 2023	\$0.18	50,000	-	-	-	50,000
December 27, 2023	\$0.30	575,000	-	(100,000)	-	475,000
July 11, 2024	\$0.75	100,000	-	-	-	100,000
July 15, 2024	\$0.70	1,000,000	-	-	-	1,000,000
		2,220,000	-	(100,000)	-	2,120,000

Ximen Mining Corp.

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For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

The continuity schedule of stock options for the period ended December 31, 2019 is as follows. The Company had 2,685,000 outstanding options with a weighted average exercise price of \$0.54 and an average remaining life of 3.27 years.

Expiry Date	Exercise Price	June 30, 2019	Granted	Exercised	Expired/ Cancelled	December 31, 2019
April 29, 2020	\$0.60	340,000	-	-	-	340,000
February 2, 2021	\$0.25	155,000	-	-	-	155,000
October 5, 2021	\$0.75	130,000	-	-	-	130,000
November 22, 2021	\$0.60	210,000	-	-	-	210,000
February 14, 2023	\$0.18	200,000	-	(50,000)	-	150,000
December 27, 2023	\$0.30	780,000	-	(180,000)	-	600,000
July 11, 2024	\$0.75	-	100,000	-	-	100,000
July 15, 2024	\$0.70	-	1,000,000	-	-	1,000,000
		1,815,000	1,100,000	(230,000)	-	2,685,000

e) Share Purchase Warrants

The continuity schedule of share purchase warrants for the year ended December 31, 2020 is as follows. The Company had 22,445,111 share purchase warrants outstanding with a weighted average exercise price of \$0.58.

Expiry Date	Exercise Price	June 30, 2020	Issued	Exercised	Expired/ Cancelled	December 31, 2020
January 03, 2021	\$0.30	840,000	-	(200,000)	-	640,000
January 11, 2021	\$0.8125	480,770	-	-	-	480,770
January 26, 2021	\$0.8750	446,428	-	-	-	446,428
March 18, 2021	\$0.5125	487,804	-	-	-	487,804
April 04, 2021	\$0.45	833,333	-	-	-	833,333
April 08, 2021	\$0.45	833,500	-	-	-	833,500
April 21, 2021	\$0.45	853,334	-	-	-	853,334
May 25, 2021	\$0.45	350,000	-	-	-	350,000
June 17, 2021	\$0.45	250,000	-	-	-	250,000
July 07, 2021	\$0.45	468,498	-	-	-	468,498
July 27, 2021	\$0.45	500,000	-	-	-	500,000
August 15, 2021	\$0.50	462,000	-	-	-	462,000
October 24, 2021	\$1.00	924,040	-	-	-	924,040
December 30, 2021	\$0.50	200,000	-	-	-	200,000
April 11, 2022	\$0.375	940,000	-	-	-	940,000
April 13, 2022	\$0.375	404,500	-	-	-	404,500
April 20, 2022	\$0.375	200,000	-	-	-	200,000
May 05, 2022	\$0.45	1,000,000	-	-	-	1,000,000
June 25, 2022	\$0.75	2,524,169	-	-	-	2,524,169
July 28, 2022	\$0.75	-	1,920,276	-	-	1,920,276
July 29, 2022	\$0.75	-	927,532	-	-	927,532
July 31, 2022	\$0.75	-	535,000	-	-	535,000
August 17, 2022	\$0.75	-	205,000	-	-	205,000
November 6, 2022	\$0.35	-	1,600,000	-	-	1,600,000
December 13, 2022	\$0.250	122,000	-	-	-	122,000
February 05, 2023	\$0.5313	470,588	-	-	-	470,588
February 25, 2023	\$0.5125	487,805	-	-	-	487,805
March 06, 2023	\$0.55	454,545	-	-	-	454,545
March 12, 2023 (Note 9(k))	\$0.45/\$0.55	1,275,000	-	-	-	1,275,000
June 3, 2023	\$0.7875	500,000	-	-	-	500,000
July 30, 2023	\$0.8125	-	454,545	-	-	454,545
November 10, 2023	\$0.60	-	694,444	-	-	694,444
		16,308,314	6,336,797	(200,000)	-	22,445,111

Ximen Mining Corp.

Notes to the Condensed Financial Statements

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NOTE 11 – SHARE CAPITAL (Continued)

The continuity schedule of share purchase warrants for the period ended December 31, 2019 is as follows. The Company had 9,492,709 outstanding share purchase warrants with a weighted average exercise price of \$0.53.

Expiry Date	Exercise Price	June 30, 2019	Issued	Exercised	Expired/ Cancelled	December 31, 2019
August 27, 2019	\$0.18	350,000	-	(350,000)	-	-
September 10, 2019	\$0.18	900,000	-	(900,000)	-	-
April 20, 2020	\$0.25	230,000	-	-	-	230,000
January 03, 2021	\$0.30	877,000	-	-	-	877,000
January 11, 2021	\$0.8125	-	480,770	-	-	480,770
January 26, 2021	\$0.8750	-	446,428	-	-	446,428
February 1, 2021	\$0.30	123,000	-	-	-	123,000
March 18, 2021	\$0.5125	-	487,804	-	-	487,804
April 04, 2021	\$0.45	-	833,333	-	-	833,333
April 08, 2021	\$0.45	-	833,500	-	-	833,500
April 21, 2021	\$0.45	-	888,334	-	-	888,334
May 25, 2021	\$0.45	-	350,000	-	-	350,000
June 17, 2021	\$0.45	-	250,000	-	-	250,000
August 15, 2021	\$0.50	462,000	-	-	-	462,000
October 24, 2021	\$1.00	924,040	-	-	-	924,040
December 30, 2021	\$0.50	200,000	-	-	-	200,000
April 11, 2022	\$0.375	940,000	-	-	-	940,000
April 13, 2022	\$0.375	404,500	-	-	-	404,500
April 20, 2022	\$0.375	200,000	-	-	-	200,000
December 13, 2022	\$0.25	562,000	-	-	-	562,000
		6,172,540	4,570,169	(1,250,000)	-	9,492,709

f) Agents' Warrants

The continuity schedule of agent's warrants for the period ended December 31, 2020 is as follows. The Company had 441,276 outstanding Agents' warrants with a weighted average exercise price of \$0.46.

Expiry Date	Exercise Price	June 30, 2020	Issued	Exercised	Expired/ Cancelled	December 31, 2020
December 11, 2020	\$0.300	15,556	-	-	(15,556)	-
January 04, 2021	\$0.300	3,200	-	(1,600)	-	1,600
October 24, 2021	\$0.390	89,744	-	-	-	89,744
December 12, 2021	\$0.390	44,872	-	-	-	44,872
March 09, 2022	\$0.500	84,000	-	-	-	84,000
April 13, 2022	\$0.375	23,000	-	-	-	23,000
June 25, 2022	\$0.750	21,210	-	-	-	21,210
July 29, 2022	\$0.750	-	36,400	-	-	36,400
October 13, 2022	\$0.400	-	131,250	-	-	131,250
November 16, 2022	\$0.420	-	9,200	-	-	9,200
		281,582	176,850	(1,600)	(15,556)	441,276

Ximen Mining Corp.

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NOTE 11 – SHARE CAPITAL (Continued)

The continuity schedule of agent's warrants for the period ended December 31, 2019 is as follows. The Company had 254,149 outstanding Agents' warrants with a weighted average exercise price of \$0.35.

Expiry Date	Exercise Price	June 30, 2019	Issued	Exercised	Expired/ Cancelled	December 31, 2019
December 11, 2020	\$0.300	93,333	-	-	-	93,333
January 04, 2021	\$0.300	3,200	-	-	-	3,200
October 24, 2021	\$0.390	-	89,744	-	-	89,744
December 12, 2021	\$0.390	-	44,872	-	-	44,872
April 13, 2022	\$0.375	23,000	-	-	-	23,000
		119,533	134,616	-	-	254,149

f) Share-Based Payments

Stock-based compensation costs have been determined based on the fair value of the stock options and agents' warrants at the grant date using the Black-Scholes option-pricing model.

During the period ended December 31, 2019, the Company issued 1,100,000 options with a fair market value of \$638,908. The Company also granted 500,000 restricted stock units with a fair market value of \$375,000.

During the period ended December 31, 2020 the Company issued 176,850 (2019 – 134,616) agents' warrants with a stock-based compensation of \$53,622 (2019 - \$22,895).

The following assumptions were used for the Black-Scholes valuation of options and agents' warrants granted:

	2020	2019
Risk-free interest rate	0.23% - 0.26	1.52% - 1.65%
Expected life of stock options	2 years	2 - 5 years
Annualized volatility	108.97% - 114.21%	98.37% - 110.09%
Dividend rate	-	-

NOTE 12 – RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive) and senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions are in the normal course of operations. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

Ximen Mining Corp.

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For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

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NOTE 12 – RELATED PARTY TRANSACTIONS (Continued)

a) Amount Due to Related Party

Amounts due to related parties are in the normal course of business, unsecured, non-interest bearing, and have no specific terms of repayment.

b) Compensation of Key Management Personnel

All related party transactions were in the ordinary course of business and were measured at their exchange amount.

	December 31, 2020 \$	December 31, 2019 \$
Management Fees	120,000	105,000
Office Administration and Support Fees	124,840	19,800
Stock-Based Compensation	-	477,327
	<u>244,840</u>	<u>602,127</u>

c) During the period ended December 31, 2020, the Company incurred \$244,840 (2019 – \$124,800) in management and consulting fees, and reimbursements of travel and other expenses to a director and officer (and a company controlled by the director) of the Company. As at December 31, 2020, \$10,652 was payable.

d) During the period ended December 31, 2020, the Company incurred stock-based compensation of \$Nil (2019 - \$477,327) to directors and officers of the Company for the granting of stock options and RSUs.

NOTE 13 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Significant Non-Cash Financing Activities

	December 31, 2020 \$	December 31, 2019 \$
Shares Issued for Exploration and Evaluation Expenditures	518,750	153,833
Shares for Debt	352,000	-
	<u>870,750</u>	<u>153,833</u>

b) Other Items

Income Taxes Paid	-	-
Interest Paid	-	-

NOTE 14– COMMITMENT

a) The Company entered into a five-year agreement with its Director, President and Chief Executive Officer in December 2016, for consulting services to the Company for monthly consideration of \$15,000 (plus applicable taxes) plus automobile and reimbursement of all traveling and direct expenses incurred.

b) In July 2019, the Company entered into one-year agreement with an individual to provide investor relations services. In consideration for the services, the Company shall pay a monthly fee of \$4,700 plus applicable taxes.

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Notes to the Condensed Financial Statements

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NOTE 14– COMMITMENT (Continued)

c) Pursuant to the acquisition of 099 BC and mining equipment from former shareholders of 099 BC (Note 8), the cash payable due dates are as follows:

(i) \$522,500 due to the former shareholders of 099 BC – on or before May 30, 2020;

a. A payment of \$245,000 was made during the year ended June 30, 2020.

b. During the period ended September 30, 2020 the remaining balance was paid.

(ii) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2020;

(iii) \$122,500 due to the former shareholders of 099 BC – on or before May 30, 2021;

(iv) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2021;

(v) \$122,500 due to the former shareholders of 099 BC – on or before May 30, 2022; and

(vi) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2022.

During the year ended June 30, 2020, the Company entered into an agreement with the former shareholder of 099 BC for a loan of \$300,000. The loan is unsecured, non-interest bearing and has no terms of repayment.

During the period ended December 31, 2020, the loan amount of \$300,000 was paid in full.

NOTE 15 – NON-CONTROLLING INTEREST

The non-controlling interest consists of 22% ownership of 0995237 BC. The Company acquired 78%, the controlling shares, of 099 BC on May 30, 2019 (Note 8).

	2020 \$	2019 \$
CURRENT:		
Assets	89,778	14,196
CURRENT NET ASSETS	89,778	14,196
NON-CURRENT		
Assets	945,545	922,656
Liabilities	(4,009,114)	(3,887,220)
NON-CURRENT NET LIABILITIES	(3,063,569)	(2,964,564)
NET LIABILITIES	(2,973,791)	(2,950,368)

In July 2019, June 2020 and September 2020, the Company acquired an additional 10% ownership bringing total ownership to 88%. As at December 31, 2020, the non-controlling interest consists of 12% ownership of 0995237 BC.

The following is the summarized comprehensive loss of 099 BC for the period since acquisition to June 30, 2020 and 2019:

	Year Ended June 30, 2020 \$	May 30 to June 30, 2019 \$
Expenses	23,423	111,981
Net Loss for the Period	23,423	111,981

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 15 – NON-CONTROLLING INTEREST (Continued)

The following is the summarized comprehensive loss of 099 BC for the period ended December 31, 2020

	December 31, 2020 \$	December 31, 2019 \$
Expenses	15,146	328,269
Net Loss for the Period	15,146	328,269

NOTE 16 – CAPITAL 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 resource properties. 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.

The Company manages its share capital as capital, which as at December 31, 2020, was \$34,960,681 (June 30, 2020 – \$30,445,419). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended December 31, 2020.

NOTE 17 – FINANCIAL INSTRUMENTS

The fair value of the Company's loan receivable, accounts payable and accrued liabilities, convertible debentures payable, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instruments and cash under the fair value hierarchy are recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

b) 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 December 31, 2020, the Company had a cash balance of \$743,680 to settle current liabilities of \$263,651. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans receivable and amounts due to related parties are non-interest bearing. Interest on the Company's debentures payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Six Months Ended December 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 17 – FINANCIAL INSTRUMENTS (Continued)

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

e) Commodity 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. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

NOTE 18 – SUBSEQUENT EVENTS

In February 2021, the Company closed a draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$365,548 from Alumina by issuing 1,218,493 units consisting of one common share priced at \$0.30 per share and two year warrants exercisable at \$0.45 per share.

In February 2021, the Company announced a stock option grant of 2,000,000 options at an exercise price of \$0.40. The options are for a term of five years from date of issuance with a four-month vest period.

NOTE 19 – CORONAVIRUS (COVID-19) PANDEMIC

The outbreak of the COVID-19 virus and the worldwide pandemic has impacted the Company's plans and activities. The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected and are difficult to quantify. Regional disease outbreaks and pandemics represent a serious threat to hiring and maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and pandemics and ultimately that the Company would see its workforce productivity reduced or incur increased medical costs and insurance premiums as a result of these health risks.

In addition, the pandemic has created a dramatic slowdown in the global economy. The duration of the outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity thereby severely limiting access to essential capital.