ARBOR METALS CORP.
(formerly Vela Minerals Ltd.)

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2020

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited interim financial statements of Arbor Metals Corp., formerly Vela Minerals Ltd., (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

ARBOR METALS CORP. (FORMERLY VELA MINERALS LTD.)
Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		January 31 2020		October 31 2019
ASSETS				
Current				
Cash and cash equivalents	$	990,958	$	1,010,054
GST receivable		864		1,414
Prepaid expenses (note 6)		-		1,450
		991,822		1,012,918
Exploration and evaluation properties (note 4)		15,000		10,000
	$	1,006,822	$	1,022,918
LIABILITIES				
Current				
Accounts payable and accrued liabilities (note 6)	$	28,791	$	20,963
		28,791		20,963
SHAREHOLDERS' EQUITY				
Share capital (note 5)		2,234,591		2,234,591
Reserves (note 5)		171,923		171,923
Deficit		(1,428,483)		(1,404,559)
		978,031		1,001,955
	$	1,006,822	$	1,022,918

Nature and continuance of operations (note 1)

Subsequent events (note 9)

Approved on behalf of the Board

Director *"Alex Klenman"*
Alex Klenman

Director *"Mark Ferguson"*
Mark Ferguson

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

ARBOR METALS CORP. (FORMERLY VELA MINERALS LTD.)
Interim Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended January 31	
	2020	**2019**
Expenses		
Consulting fees (note 6)	$ 4,950	$ 7,500
Interest	-	1,849
Office and administration	112	57
Professional fees	6,307	150
Transfer agent and filing fees	12,555	675
Net and comprehensive loss for the period	$ (23,924)	$ (10,231)
Basic and diluted loss per share	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding	12,671,450	1,762,450

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

ARBOR METALS CORP. (FORMERLY VELA MINERALS LTD.)

Interim Statements of Cash Flow

(Unaudited - Expressed in Canadian Dollars)

	For the three months ended January 31	
	2020	**2019**
Cash provided by (used in):		
Operating activities		
Net loss	$ (23,924)	$ (10,231)
Change in non-cash working capital:		
GST receivable	550	468
Prepaid expenses	1,450	-
Accounts payable and accrued liabilities	7,828	3,803
Net cash flows used in operating activities	(14,096)	(5,960)
Investing activities		
Mineral property acquisition and exploration costs	(5,000)	-
Net cash flows used in provided by investing activities	(5,000)	-
Financing activities		
Loan advances	-	2,800
Share subscriptions returned	-	(65,000)
Net cash flows provided by financing activities	-	(62,200)
Change in cash	(19,096)	(68,160)
Cash and cash equivalents, beginning of the period	1,010,054	94,556
Cash and cash equivalents, end of the period	$ 990,958	$ 26,396

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

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ARBOR METALS CORP. (FORMERLY VELA MINERALS LTD.)
Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscriptions Advanced	Reserves	Deficit	Total Equity (Deficiency)
Balance at November 1, 2018	1,762,450	$ 896,891	$ 91,000	$ 171,923	$ (1,241,499)	$ (81,685)
Share subscriptions returned.	-	-	(65,000)	-	-	(65,000)
Net loss	-	-	-	-	(10,231)	(10,231)
Balance at January 31, 2019	1,762,450	896,891	26,000	171,923	(1,251,730)	(156,916)
Balance at November 1, 2019	12,671,450	2,234,591	-	171,923	(1,404,559)	1,001,955
Net loss	-	-	-	-	(23,924)	(23,924)
Balance at January 31, 2020	12,671,450	$ 2,234,591	$ -	$ 171,923	$ (1,428,483)	$ 978,031

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Arbor Metals Corp., formerly Vela Minerals Ltd., (the "Company") was incorporated in the Province of British Columbia on May 19, 2011 and is in the business of identifying, acquiring and exploring mineral properties. The Company is currently in the exploration stage of developing its exploration and evaluation properties and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "ABR".

The address of the Company's registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

These interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations.

The Company does not generate sufficient cash flow from operations to adequately fund its activities and has therefore relied upon external financing for its operational expenses. The Company intends to continue relying upon external financing to finance its future activities but there can be no assurance that such financing will be available on a timely basis and/or on terms acceptable to the Company. Although these interim financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations and the Company's ability to continue as a going concern.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of operating revenue and has significant cash requirements to finance its administrative overhead expenses and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

1. NATURE AND CONTINUANCE OF OPERATIONS, continued

The Company estimates that additional funding will be required to continue operations over the next 12 months. These factors indicate the existence of a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

These interim financial statements were authorized for issue on March 6, 2020 by the directors of the Company.

2. BASIS OF PRESENTATION

Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended October 31, 2019, which have been prepared in accordance with IFRS.

These interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. All amounts are expressed in Canadian dollars unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

3. SIGNIFICANT ACCOUNTING POLICIES, continued

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the interim financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluations assets may not be recoverable.

b) Recent accounting pronouncements

The following standard has been adopted by the Company effective November 1, 2019:

IFRS 16 – Leases - On January 13, 2016 the IASB issued IFRS 16, “Leases”. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The new standard is effective for annual periods beginning on or after January 1, 2019. The extent of the impact of adoption of the above standard on the financial statements of the Company is not expected to be significant.

4. EXPLORATION AND EVALUATION PROPERTIES

Cree Lake Property, Saskatchewan, Canada

On October 15, 2018, the Company signed an option agreement to acquire a 100% interest in certain mineral claims, comprising 2,473 hectares in the Athabasca Basin, Saskatchewan. The terms of the Purchase Option Agreement are as follows:

- cash consideration of $10,000 on closing of a private placement;
- $100,000 within 24 months of the signing of this agreement;
- $100,000 in exploration expenditures within 24 months of signing of the agreement.

The Company’s interest is subject to a 1% NSR payable to the vendor, of which ½ % may be purchased for $1,500,000.

A summary of the Company’s exploration and evaluation assets is shown below:

(Unaudited - Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION PROPERTIES, continued

		Cree Lake		Total
Balance at November 1, 2018	$	10,000	$	10,000
Acquisition costs		-		-
Exploration costs		-		-
Write down		-		-
Balance at October 31, 2019	**$**	**10,000**	**$**	**10,000**
Acquisition costs		-		-
Exploration costs		5,000		5,000
Write down		-		-
Balance at January 31, 2020	**$**	**15,000**	**$**	**15,000**

5. SHARE CAPITAL AND RESERVES

Authorized

Unlimited common shares without par value

Issued

Shares issued and outstanding at January 31, 2020 are 12,671,450 (October 31, 2019 – 12,671,450).

On January 12, 2018, the Company completed a consolidation of its issued and outstanding common shares with 1 new share issued for 6 old shares. All shares and per share information have been restated to reflect this consolidation.

On August 6, 2019, the Company closed a private placement for total gross proceeds of $1,201,080. The Company issued a total of 10,009,000 units at a price of $0.12 per unit. Each unit contains one common share and one share purchase warrant. Each warrant is exercisable at a price of $0.15 for a period of 36 months from the date of issuance. In connection of the private placement, the Company incurred $27,172 in share issuance costs.

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES, continued

Warrants

Warrant activity for the three months ended January 31, 2020 and the year ended October 31, 2019 are presented below:

	January 31 2020		October 31 2019	
	Number of Warrants	**Weighted average exercise price**	**Number of Warrants**	**Weighted average exercise price**
Outstanding - beginning of period	10,009,000	$ 0.15	-	$ -
Issued pursuant to private placement	-	-	10,009,000	0.15
Outstanding - end of period	10,009,000	$ 0.15	10,009,000	$ 0.15

As at January 31, 2020, the following share purchase warrants were outstanding:

Number of Warrants	Weighted Average Exercise Price	Expiry date	Remaining Life (years)
10,009,000	$ 0.15	August 6, 2022	2.52
10,009,000	$ 0.15		

Share-based Payments

Pursuant to a stock option plan (the "Plan") for directors, officers, employees and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares, the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 30 days following the date the optionee ceases to be a director, officer, employee or consultant of the Company for reasons other than death, one year after the death of an optionee or on the final anniversary of the date the option was granted which concludes the option term. Options granted under the plan may not exceed ten years and vest at the discretion of the board of directors, and shall not be exercisable at less than the price determined by policy or policies of the stock exchange(s) on which the Company's common shares are then listed. Notwithstanding the foregoing, options issued to consultants performing investor relations activities vest over 12 months with no more than 25% of the options vesting in any three-month period. Occasionally, the Company issues stock options to agents which do not fall under the plan.

As at January 31, 2020 and October 31, 2019, the Company had no stock options outstanding.

(Unaudited - Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS

Key management personnel comprise the Company's Board of Directors and executive officers. During the three months ended January 31, 2020 and 2019, no remuneration was paid to key management personnel other than as noted below:

	2020	2019
Consulting fees	$ 4,950	$ 7,500

Included in accounts payable at January 31, 2020 is $1,450 for fees paid to directors of the Company (October 31, 2019 – prepaid expenses of $1,450).

7. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There was no change to the Company's approach to capital management during the period.

8. FINANCIAL INSTRUMENTS

As at January 31, 2020, the Company's financial instruments consist of cash and cash equivalents and accounts payable.

In management's opinion, the Company's carrying values of cash and cash equivalents and accounts payable approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash and cash equivalents is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

8. FINANCIAL INSTRUMENTS, continued

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. Accounts payable are classified under Level 3.

The Company's financial instruments are exposed to the following market risks:

Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company had $990,958 in cash as at January 31, 2020, on which it earns no interest, and therefore is not subject to interest rate risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution and in lawyers' trust accounts and therefore is not subject to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. As at January 31, 2020, the Company had working capital of $963,031. This included cash and cash equivalents of $990,958 and a GST receivable balance of $864 which is sufficient to settle its current liabilities of $28,791. The Company's financial liabilities include accrued expenses and accounts payable which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

9. SUBSEQUENT EVENTS

In February 2020, the Company issued 920,000 common shares pursuant to the exercise of share purchase warrants at a price of $0.15 for gross proceeds of $138,000.

On February 10, 2020, the Company acquired 100% of the common shares of Kruger Gold Corp., ("Kruger"), a privately held mineral exploration company, for cash consideration of $800,000. Kruger holds the right to acquire a 75% interest in a mineral exploration permit located in Burkina Faso, West Africa, commonly referred to as the "Rakounga Project" ("Project"). Kruger has control over operations conducted on the Project and can acquire the interest in the Project by completing a series of cash payments and incurring exploration expenditures in the development of the Project.