

SEASHORE RESOURCE PARTNERS CORP.

(A Capital Pool Company)

Interim Financial Statements

For the three and six months ended May 31, 2020

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by 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 Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

SEASHORE RESOURCE PARTNERS CORP.

Interim Statements of Financial Position

As at May 31, 2020 and November 30, 2019

(Expressed in Canadian dollars)

		May 31, 2020		November 30, 2019
Assets				
Current Assets				
Cash	\$	215,461	\$	230,644
Total Assets	\$	215,461	\$	230,644
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	\$	5,608	\$	1,948
Total Liabilities		5,608		1,948
Share capital (Note 4)		326,025		326,025
Contributed surplus (Note 4)		42,677		42,677
Deficit		(158,848)		(140,006)
Total Shareholders' Equity		209,854		228,696
Total Liabilities and Shareholders' Equity	\$	215,461	\$	230,644

Nature of Operations (Note 1)

On behalf of the Board:

"Alex Langer", Director

"Chris Beltgens", Director

SEASHORE RESOURCE PARTNERS CORP.

Interim Statements of Comprehensive Loss

For the three and six months ended May 31, 2020

(Expressed in Canadian dollars)

	Three months ended		Six months ended	
	May 31, 2020		May 31, 2020	
Expenses				
Interest and bank charges	\$	174	\$	506
Filing fees		5,752		12,642
Accounting and legal		118		148
Meals and entertainment		-		551
Office expense		-		97
Travel		4,899		4,899
Net loss and comprehensive loss for the period		(10,943)		(18,842)
Basic and diluted loss per share	\$	(0.00)	\$	(0.00)
Weighted average number of common shares outstanding		5,200,000		5,200,000

SEASHORE RESOURCE PARTNERS CORP.

Interim Statements of Changes in Shareholders' Equity
For the six months ended May 31, 2020 and May 31, 2019
(Expressed in Canadian dollars)

	Share Capital			Contributed Surplus	Deficit	Total Shareholders' Equity
	Number of Shares	Amount				
Balance at November 30, 2018	5,200,000	\$ 325,067	\$	42,677	\$ (101,106)	\$ 266,638
Net loss for the period	-	-		-	(24,498)	(24,498)
Share issuance costs (Note 4)	-	957		-	-	957
Balance at May 31, 2019	5,200,000	\$ 326,024	\$	42,677	\$ (125,604)	\$ 243,097
Balance at November 30, 2019	5,200,000	\$ 326,025	\$	42,677	\$ (140,006)	\$ 228,696
Net loss for the period	-	-		-	(18,842)	(18,842)
Share issuance costs (Note 4)	-	-		-	-	-
Balance at May 31, 2020	5,200,000	\$ 326,025	\$	42,677	\$ (158,848)	\$ 209,854

SEASHORE RESOURCE PARTNERS CORP.

Interim Statements of Cash Flows

For the three and six months ended May 31, 2020

(Expressed in Canadian dollars)

Expressed in Canadian dollars

	Three months ended May 31, 2020		Six months ended May 31, 2019	
Operating Activities				
Net loss for the period	\$	(10,943)	\$	(18,842)
Item not involving cash:				
Share-based compensation		-		-
Change in non-cash working capital item:				
Accounts payable and accrued liabilities		(478)		3,660
Prepaid expenses		-		-
Net cash flows used in operating activities		(11,421)		(15,182)
Change in cash during the period		(11,421)		(15,182)
Cash, beginning of the period		226,883		230,644
Cash, ending of the period	\$	215,461	\$	215,461

SEASHORE RESOURCE PARTNERS CORP.

Notes to the Interim Financial Statements

For the three and six months ended May 31, 2020

(Expressed in Canadian dollars)

1. Nature of Operations

Seashore Resource Partners Corp. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on September 7, 2017 and is a Capital Pool Company under the policies of the TSX Venture Exchange (the “Exchange”).

The head office, principal and registered address and records office of the Company are located at Suite 2040, 885 West Georgia Street, Vancouver BC, V6C 3E8.

Following the completion of the Offering on October 4, 2018 (see Note 4), the Company’s common shares were listed for trading on the TSX Venture Exchange under the trading symbol SSH.P, and commenced on October 9, 2018.

The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a “Qualifying Transaction” as it is defined in the policies of the Exchange. The Company has commenced the process of identifying potential acquisitions. There is no assurance that the Company will identify and complete a Qualifying Transaction within the time period described by the policies of the Exchange. Moreover, even if a potential Qualifying Transaction is identified by the Company, it may not meet the requirements of the Exchange.

The Company has no source of operating revenue, has incurred losses since inception and as at May 31, 2020 has a deficit of \$158,848. Its continued existence will be dependent on the receipt of related party debt or equity financing on terms which are acceptable to the Company.

2. Significant Accounting Policies and Basis of Preparation

These interim financial statements were authorized for issue by the directors of the Company on July 16, 2020.

Statement of compliance

These interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These interim financial statements have been prepared in full compliance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”). Accordingly, these unaudited interim financial statements follow the same accounting principles and methods of application as the audited annual financial statements for the year ended November 30, 2019 but may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance in IFRS. These interim financial statements should be therefore be read in conjunction with the audited annual financial statements for the year ended November 30, 2019.

Basis of preparation

These financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. These interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

2. Significant Accounting Policies and Basis of Preparation (cont'd)

Significant accounting judgments, estimates and assumptions

Critical accounting estimates and judgments

The preparation of interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These interim financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appear throughout the interim financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

Critical accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the financial statements. Judgments involve a degree of uncertainty and could result in material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund acquisition activity, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Change in accounting policies - Financial instruments

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of December 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instrument and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forwards in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

SEASHORE RESOURCE PARTNERS CORP.
Notes to the Interim Financial Statements
For the three and six months ended May 31, 2020
(Expressed in Canadian dollars)

2. Significant Accounting Policies and Basis of Preparation (*cont'd*)

Change in accounting policies - Financial instruments (*cont'd*)

Classification:

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

The Company completed a detailed assessment of its financial assets and liabilities as at December 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2019 annual reporting period, which also includes the date of the initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on December 1, 2018.

Measurement:

Financial assets at FVTOCI

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

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs expensed in the statements of net loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net loss in the period in which they arise.

2. Significant Accounting Policies and Basis of Preparation (cont'd)

Change in accounting policies - Financial instruments (cont'd)

Measurement (cont'd):

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurement, described as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

See Note 6 for relevant disclosures.

Impairment of financial assets at amortized cost:

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

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

Financial liabilities

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

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed using the treasury stock method, under which the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding. The Company has 3,100,000 shares held in escrow as at the end of the reporting period.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Equity-settled transactions

Share-based payment arrangements whereby the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. Equity instruments issued as consideration for the purchase of non-monetary assets are measured based on the fair value of the common shares on the date the shares are issued.

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Notes to the Interim Financial Statements
For the three and six months ended May 31, 2020
(Expressed in Canadian dollars)

3. Accounting Standards Issued but not yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

4. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

As at May 31, 2020, there were 5,200,000 (November 30, 2019 - 5,200,000) common shares issued and outstanding, of which 3,100,000 shares have been placed in escrow.

For the year ended November 30, 2019

- On February 15, 2019, the Company received a refund of \$957 for expenses that were not incurred by the Company's agent in relation to the initial public offering.

For the year ended November 30, 2018

- On December 21, 2017, the Company issued 1,000,000 common shares by private placement at \$0.05 per share, for proceeds of \$50,000.
- On October 4, 2018, the Company completed its initial public offering of 2,100,000 common shares issued at a price of \$0.10 per share pursuant to a prospectus dated August 22, 2018, for gross proceeds of \$210,000. Cash commission and corporate finance of \$25,200 and expense reimbursements of \$11,856 were paid to the Company's agent, Haywood Securities Inc. In addition, Haywood received 42,000 non-transferable warrants to acquire up to 42,000 shares at a price of \$0.10 per share for a period of 24 months. These finder's warrants were valued \$2,877 using the Black-Scholes Option Pricing Model. The Company also granted an aggregate of 400,000 incentive stock options to its directors, officers and certain technical consultants, each option is exercisable at a price of \$0.10 per share for a period of 5 years, vesting immediately (Note 5).

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Notes to the Interim Financial Statements
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(Expressed in Canadian dollars)

4. Share Capital (cont'd)

(c) Stock options

The Company's stock option transactions are summarised as follows:

	Number of options	Weighted average exercise price
Balance, November 30, 2017	-	\$ -
Granted	400,000	0.10
Balance, August 31, 2019 and November 30, 2018	400,000	\$ 0.10

The Company granted a total of 400,000 share purchase options to the directors, officers and certain technical consultants on October 4, 2018, the date upon which the Company became listed on the Exchange as a Capital Pool Company. These options will be exercisable at a price of \$0.10 for a period of five years from the date grant and vests immediately (Note 5).

The fair value of these options were valued at \$39,800, using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.46%, an expected life of five years, an expected volatility of 249.6709%, forfeiture rate of 0% and no expected dividends.

The following table summarizes the options outstanding and exercisable at May 31, 2020:

Options outstanding and exercisable	Exercise price	Expiry date
400,000	\$ 0.10	October 4, 2023

(d) Share purchase warrants

The Company's share warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, November 30, 2018	42,000	\$ 0.10
Balance, May, 2020 and November 30, 2019	42,000	\$ 0.10

On October 4, 2018, upon the completion of the Offering, the Company granted to its agent 42,000 non-transferrable warrants to acquire up to 42,000 shares at a price of \$0.10 per share for a period of 24 months.

The fair value of these warrants were valued at \$2,877, using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.29%, an expected life of two years, an expected volatility of 122.65%, forfeiture rate of 0% and no expected dividends.

SEASHORE RESOURCE PARTNERS CORP.
Notes to the Interim Financial Statements
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(Expressed in Canadian dollars)

4. Share Capital (cont'd)

(e) Share purchase warrants (cont'd)

The following table summarizes the summarizes the warrants outstanding and exercisable at May 31, 2020:

Warrants outstanding and exercisable	Number	Exercise price	Expiry date
Agents' warrants	42,000	\$ 0.10	October 4, 2020

5. Related Party Transaction

During the year ended November 30, 2018, the Company granted 400,000 stock options, which were valued at \$39,800, to its directors, officers and certain technical consultants, exercisable at a price of \$0.10 per share for a period of five years, vesting immediately (Note 4).

6. Financial Risk and Capital Management

Capital management

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

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

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There were no changes to the Company's capital management approach during the three months ended May 31, 2020.

Management of financial risk

The Company has classified its accounts payable and accrued liabilities as other financial liabilities. The carrying value of all financial liabilities approximates fair value due to the short-term nature of these financial instruments. The types of risk exposure and the Company's methods of managing the risk remain consistent and are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

6. Financial Risk and Capital Management (*cont'd*)

Management of financial risk (*cont'd*)

(a) Market risk (*cont'd*)

(i) Interest rate risk

The Company is not subject to significant interest rate risk with respect to its financial instruments.

(ii) Currency risk

The Company is not exposed to currency risk, as all financial instruments and expenditures incurred by the Company are denominated in Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices. The Company is not exposed to significant other price risk on its financial instruments.

(b) 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, and arises principally from the Company's cash. The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk on receivables, as these amounts are due from government agencies. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities, and through management of its capital structure. All of the Company's financial liabilities have contractual maturities of less than 90 days.

The fair values of the Company's financial assets and liabilities approximate the carrying amounts due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

All the Company's financial instruments are measured at Level 1 as at May 31, 2020.