

CORTUS METALS INC.

Consolidated Financial Statements

For the ten month period ended October 31, 2020 and the twelve month period ended December 31, 2019

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Cortus Metals Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cortus Metals Inc., which comprise the consolidated statements of financial position as at October 31, 2020 and December 31, 2019, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the ten-month period ended October 31, 2020 and the year ended December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Cortus Metals Inc. as at October 31, 2020 and December 31, 2019 and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Cortus Metals Inc. in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that Cortus Metals Inc.'s continuation as a going concern is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on Cortus Metals Inc.'s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Cortus Metals Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Cortus Metals Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Cortus Metals Inc.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cortus Metals Inc.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Cortus Metals Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Cortus Metals Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is James D. Gray.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
February 28, 2021

CORTUS METALS INC.
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

As at	October 31 2020	December 31 2019
Assets		
Current		
Cash	\$ 1,469,539	\$ 181,357
Prepayments and deposits	58,730	2,000
Accounts receivable	18,630	-
Goods and services tax receivable	29,648	5,541
	\$ 1,576,547	188,898
Exploration and evaluation properties (note 4)	1,117,193	25,040
Long-term receivable	-	17,675
	\$ 2,693,740	\$ 231,613
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 337,718	17,254
Equity		
Share capital (note 5)	2,932,763	288,868
Option and warrant reserve	137,206	30,800
Deficit	(713,947)	(105,309)
	2,356,022	214,359
	\$ 2,693,740	231,613

Going Concern (note 1)

Approved by the Board of Directors

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

The accompanying notes form an integral part of these consolidated financial statements

CORTUS METALS INC.
Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian Dollars

For the year(*) ended	October 31 2020	December 31 2019
Expenses		
Advertising and promotion	\$ 235,266	\$ -
Office and administration	29,864	1,471
Management fees	41,104	-
Professional fees	146,324	27,703
Project evaluation fees	29,024	-
Regulatory and filing fees	38,592	23,330
Share-based compensation (note 5)	93,273	26,400
Initial listing expenses	-	25,592
	(613,447)	(104,496)
Other income		
Interest income	4,809	-
Net loss and comprehensive loss	\$ (608,638)	\$ (104,496)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.04)
Basic and diluted weighted average number of common shares outstanding	13,559,563	2,848,219

**The 2020 period referenced above is for the ten-month period from January 1, 2020 to October 31, 2020.*

The accompanying notes form an integral part of these consolidated financial statements

CORTUS METALS INC.

Consolidated Statements of Changes in Equity

Expressed in Canadian Dollars

	Share capital	Option and warrant reserve	Deficit	Total equity
Balance at December 31, 2018	\$ 110,000	\$ -	\$ (813)	\$ 109,187
Shares issued for cash	240,000	-	-	240,000
Share issuance costs	(56,732)	-	-	(56,732)
Finders warrants issued	(4,400)	4,400	-	-
Options issued	-	26,400	-	26,400
Net loss	-	-	(104,496)	(104,496)
Balance at December 31, 2019	\$ 288,868	\$ 30,800	\$ (105,309)	\$ 214,359
Shares issued for cash	2,563,609	(1,746)	-	2,561,863
Share issued for property	200,000	-	-	200,000
Share issuance costs	(104,835)	-	-	(104,835)
Finders warrants issued	(14,879)	14,879	-	-
Options issued	-	93,273	-	93,273
Net loss	-	-	(608,638)	(608,638)
Balance at October 31, 2020	\$ 2,932,763	\$ 137,206	\$ (713,947)	\$ 2,356,022

The accompanying notes form an integral part of these consolidated financial statements

CORTUS METALS INC.
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

For the year(*) ended	October 31 2020	December 31 2019
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (608,638)	\$ (104,496)
Items not affecting cash:		
Share-based compensation	93,273	26,400
Changes in non-cash working capital:		
Goods and services tax receivable	(24,107)	(23,216)
Accounts receivable and prepayments	(57,685)	13,000
Accounts payable and accrued liabilities	320,464	17,254
Cash used in operating activities	<u>(276,693)</u>	<u>(71,058)</u>
Investing activities		
Exploration and evaluation property acquisition payments (note 4)	(602,276)	(25,040)
Exploration and evaluation property exploration expenditures (note 4)	(289,877)	-
Cash used in investing activities	<u>(892,153)</u>	<u>(25,040)</u>
Financing activities		
Proceeds from share issuances (note 5)	2,557,500	240,000
Proceeds from warrant exercise	4,363	-
Cash share issuance costs	(104,835)	(56,732)
Cash provided by financing activities	<u>2,457,028</u>	<u>183,268</u>
Net increase in cash	1,288,182	87,170
Cash, beginning of year(*)	<u>181,357</u>	<u>94,187</u>
Cash, end of year(*)	\$ 1,469,539	\$ 181,357

**The 2020 period referenced above is for the ten-month period from January 1, 2020 to October 31, 2020.*

The accompanying notes form an integral part of these consolidated financial statements

CORTUS METALS INC.

Notes to the Consolidated Financial Statements

For the ten months ended October 31, 2020 and the twelve months ended December 31, 2019

Expressed in Canadian Dollars

1. Nature of operations and going concern

Cortus Metals Inc. ("Cortus" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 25, 2018. The Company's head office is at 250 South Ridge NW, Suite 300, Edmonton, Alberta, T6H 4M9. On November 4, 2019, the common shares of the Company were listed on the TSX Venture Exchange ("TSXV") as a Capital Pool Company ("CPC") under the trading symbol "CRTS.P" (note 5). On August 28, 2020, the Company acquired an aggregate 100% interest in and to the Grayson and Powerline properties located in Nevada. The transaction constitutes the Company's Qualifying Transaction as defined in Policy 2.4 of the Corporate Finance Manual of the TSXV, as a result, the Company is now listed under the trading symbol "CRTS" (note 4).

On March 11, 2020, the World Health Organization ("WHO") declared coronavirus COVID-19 a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures will have a significant, negative effect on the economies of all nations for an undeterminable period of time. The specific impact of the pandemic on the Company's operations is not readily available at this time.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable amount of time. At October 31, 2020, the Company had not generated revenues and had working capital of \$1,238,829 (December 31, 2019 – of \$171,644) and an accumulated deficit of \$713,947 (2019 - \$105,309). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

2. Basis of presentation

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). During the current year, the Company changed its fiscal year end to October 31 from December 31. Accordingly, its current year reflects 10 months of results while the comparative 2019 figures reflect the 12-month period ended December 31, 2019.

b) Consolidated Financial Statements

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on February 28, 2021.

These consolidated financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and reporting currency of the Company.

These consolidated financial statements include the accounts of the Company, and its 100% controlled entity, Cortus Properties LLC.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Management estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its consolidated financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include:

Judgments

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

b) Cash

Cash is comprised of cash on hand and cash on deposit with the Company's financial institution on which it earns variable amounts of interest.

c) Financial instruments

Financial instruments are recognized on the date on which the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flow from assets have expired or have been transferred and the Company has transferred all the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires. All financial instruments are initially recognized at fair value and measurement in subsequent periods is dependent upon the classification of the financial instrument.

i) Financial assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as at fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash and accounts receivable are recorded at amortized cost as they meet the required criteria.

ii) Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

d) Exploration and evaluation properties

Exploration and evaluation property acquisition costs and exploration costs directly related to specific properties are deferred, commencing on the date that the Company acquires legal rights to explore a property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. Exploration costs may include costs such as materials used, surveying costs, drilling costs, payments made to contractors, analysing historical exploration data, geophysical studies, and depreciation on equipment used during the exploration stage. All other costs, including administrative overhead are expensed as incurred. If the properties are put into commercial production, the acquisition and exploration expenditures will be depleted using the units of production basis based upon the proven reserves available. If the properties are sold or abandoned, these expenditures will be written off.

Where the Company's exploration commitments for an area of interest are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the area of interest to the extent of costs incurred. The excess, if any, is credited to operations.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. Title to resource 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 conveyance history characteristic of many resource properties.

e) Share-based payment transactions

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and recorded as an expense over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to mineral interests with a corresponding increase in share-based payment reserves. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserves amount is transferred to share capital.

CORTUS METALS INC.

Notes to the Consolidated Financial Statements

For the ten months ended October 31, 2020 and the twelve months ended December 31, 2019

Expressed in Canadian Dollars

f) Comprehensive income (loss) and equity

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) ("OCI"). OCI represents changes in shareholders' equity during a period arising from transactions and other events with non-owner sources. When applicable, components of OCI are recorded net of related income taxes. Cumulative changes in OCI are included in accumulated other comprehensive income ("AOCI"), which is presented as a category of equity in the consolidated statements of changes in equity.

g) Income (loss) per share

Income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

h) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxation authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

i) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

CORTUS METALS INC.

Notes to the Consolidated Financial Statements

For the ten months ended October 31, 2020 and the twelve months ended December 31, 2019

Expressed in Canadian Dollars

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the following:

- the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation in accordance with the Company's accounting policy and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net earnings over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

As of October 31, 2020, the Company does not recognize any right-of-use asset or corresponding lease liability, as it has no long-term lease agreement in place.

j) New accounting standards and recent pronouncements

Accounting pronouncements adopted by the Company

During the year, the Company has adopted revisions to certain accounting standards as described below. The adoption of these revisions did not result in any material changes to the consolidated financial statements.

IFRS 3 – Business Combinations was amended to assist entities in determining whether an acquired set of activities and assets are considered a business. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, narrow the definition of outputs, add guidance to assess whether an acquired process is substantive and introduce an optional concentration test to permit a simplified assessment. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after November 1, 2020, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not anticipate any material changes to the consolidated financial statements upon adoption of these new revised accounting pronouncements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period. There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. Exploration and evaluation properties

During the ten months ended October 31, 2020 the Company executed a definitive purchase agreement ("the Agreement") to acquire an aggregate 100% interest in and to the Grayson and Powerline properties located in Nevada, USA from Intermont Resources LLC ("Intermont"). The transaction constitutes the Company's Qualifying Transaction as defined in Policy 2.4 of the Corporate Finance Manual of the TSXV.

Pursuant to the Agreement, Cortus acquired a 100% interest in the Properties by paying:

- i. cash payments of US \$304,400 in aggregate, of which US \$19,400 was paid during 2019 as a non-refundable deposit and US \$105,000 was advanced as a secured loan to Intermont (now forgiven as a result of the Agreement), and a remaining cash payment of US \$180,000 that was paid on the closing date;
- ii. the issuance of 1,000,000 common shares in the capital of the Company, issued at a value of \$200,000;
- iii. the grant of a 2.0% net smelter return royalty on each property (the "Royalty"), with buy out provisions for each of USD \$1,500,000 for 1.0%.

Cortus was also granted the right to acquire additional properties held by Intermont within a defined area of interest for a period of twenty-four (24) months for consideration of 200,000 common shares of the Company per additional property acquired.

Concurrent with the execution of the Agreement, the Company has entered into a definitive two-year agreement with Intermont whereby it has the option to acquire 100% of Intermont's common shares in consideration for the issuance of 5,000,000 common shares, less any shares issued by the Company to acquire additional properties.

On September 17, 2020, the Company entered into a purchase option agreement with Fremont Gold Ltd. ("Fremont") to acquire 100% interest in 114 unpatented mining claims that are held by Fremont's wholly-owned subsidiary and a 50% interest in 95 claims that Fremont's wholly-owned subsidiary owns jointly with a third-party, collectively known as the Goldrun property, located in Nevada, USA. To complete the option, the Company paid \$20,000 in cash during the year and is required to issue 250,000 common shares (issued subsequent to year-end).

CORTUS METALS INC.

Notes to the Consolidated Financial Statements

For the ten months ended October 31, 2020 and the twelve months ended December 31, 2019

Expressed in Canadian Dollars

Aggregate costs incurred by the Company on the Grayson, Powerline and Goldrun properties are summarized as follows:

	Acquisition	Exploration	Total
Balance, December 31, 2019	\$ 25,040	\$ -	\$ 25,040
Acquisition	802,276	-	802,276
Analytics	-	7,344	7,344
Fieldwork – General	-	187,264	187,264
Geological consulting	-	45,877	45,877
Travel and support	-	49,392	49,392
Balance, October 31, 2020	\$ 827,316	\$ 289,877	\$ 1,117,193

5. Share capital

On August 25, 2020, the Company's common shares were split on the basis of two (2) new shares for each one (1) old share (the "Split") applicable to shareholders of record as of the close of business on August 21, 2020 (the "Record Date"). All current and historical references to the Company's common share, warrant, and option amounts have been updated throughout these consolidated financial statements as if the split had occurred at December 31, 2018.

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
Balance at December 31, 2018	4,400,000	\$ 110,000
Shares issued for properties (note 4)	5,200,000	240,000
Shares issued in private placement	-	(56,732)
Share issuance costs, non-cash	-	(4,400)
Balance at December 31, 2019	9,600,000	\$ 288,868
Shares issued for properties (note 4)	1,000,000	200,000
Shares issued in private placement	17,050,004	2,557,500
Shares issued pursuant to warrant exercises	87,274	6,109
Share issuance costs, cash	-	(104,835)
Share issuance costs, non-cash	-	(14,879)
Balance at October 31, 2020	27,737,278	\$ 2,932,763

CORTUS METALS INC.

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For the ten months ended October 31, 2020 and the twelve months ended December 31, 2019

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Private placement

During the period ended October 31, 2020, the Company completed a non-brokered financing (the "Financing") raising gross proceeds of \$2,557,500 through the sale of 17,050,004 units at a price of \$0.15 per unit (each a "Unit"). Each Unit comprised one common share and one share purchase warrant (each a "Warrant") to acquire a further common share at a price of \$0.20 per share until August 26, 2022.

Aggregate finder's fees of \$91,473 in cash and 609,818 in finder's warrants, bearing the same terms as the Warrants, were paid to registered dealers in connection with the Financing. The fair value of these warrants of \$14,879 was allocated to the share capital from the option and warrant reserves.

Escrowed common shares

Pursuant to the closing of the IPO on November 4, 2019, 5,600,000 common shares of the Company are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these consolidated financial statements 5,040,000 common shares remained in escrow.

b) Stock options

The Company's has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

On August 26, 2020, the Company granted stock options to acquire up to an aggregate 1,680,000 common shares of the Company under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$0.15 per common share and have an expiry date of August 26, 2025 or earlier in accordance with the terms of the Plan.

The estimated fair value of these options of \$93,273, or \$0.15 per option, has been recorded as share-based compensation expense in the 2020 fiscal year and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.10; expected life, 5 years; expected volatility, 80%; risk-free rate 0.41%; expected dividends, 0%.

A summary of stock option activity in the periods is as follows:

	Number of options	Weighted average exercise price
Outstanding options, December 31, 2019	880,000	\$ 0.05
Issued	1,680,000	0.15
Outstanding options, October 31, 2020	2,560,000	\$ 0.12

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A summary of stock options outstanding and exercisable is as follows:

Exercise Price	October 31, 2020		Exercise Price	December 31, 2019	
	Number of options	Remaining contractual life (years)		Number of options	Remaining contractual life (years)
\$ 0.05	880,000	4.0	\$ 0.05	880,000	4.9
0.15	1,680,000	4.8	-	-	-
\$ 0.12	2,560,000	4.5	\$ 0.05	880,000	4.9

c) Warrants

A summary of share purchase warrant activity in the periods is as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, December 31, 2019	220,000	\$ 0.05
Issued	17,659,822	0.20
Exercised	(87,274)	0.05
Outstanding warrants, October 31, 2020	17,792,548	\$ 0.20

A summary of the warrants outstanding and exercisable is as follows:

Exercise Price	October 31, 2020		Exercise Price	December 31, 2019	
	Number of warrants	Remaining contractual life (years)		Number of warrants	Remaining contractual life (years)
\$ 0.05	132,726	1.1	\$ 0.05	220,000	1.9
0.20	17,050,004	1.8	-	-	-
0.20	609,818	1.8	-	-	-
\$ 0.20	17,792,548	1.8	\$ 0.05	220,000	1.9

- i. 609,818 warrants were issued to agents pursuant to the close of the non-brokered private placement closing on August 26, 2020 as compensation for services provided by the agents. The estimated fair value of the agents' warrants of \$14,879 has been recorded as a decrease to share capital as a cost of share issuance and an increase to option and warrant reserve, and was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$0.10; expected life, 2 years; expected volatility, 80%; risk free rate, 0.29%; expected dividends, 0%.

6. Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

As at October 31, 2020, the Company believes that the carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at October 31, 2020, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

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Classification of financial instruments

Financial assets included in the consolidated statement of financial position are as follows:

	October 31 2020	December 31 2019
Financial asset at amortized cost		
Cash	\$ 1,469,539	\$ 181,357
Accounts Receivable	18,630	-
	\$ 1,488,169	\$ 181,357

Financial liabilities included in the consolidated statement of financial position are as follows:

	October 31 2020	December 31 2019
Non-derivative financial liabilities		
Accounts payable and accrued liabilities	\$ 337,718	\$ 17,254
	\$ 337,718	\$ 17,254

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

7. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the year(*) ended	October 31 2020	December 31 2019
Management fees paid to key management and directors	\$ 57,304	\$ -
Share-based payments	93,273	26,400
	\$ 150,577	\$ 26,400

During the year ended October 31, 2020, the Company recorded share-based compensation expense of \$93,273 in relation to 1,680,000 stock options issued to directors and officers of the Company.

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Key management compensation

Key management includes directors and key officers of the Company Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel is summarized below:

For the year(*) ended	October 31, 2020	December 31, 2019
Short term benefits	\$ 57,304	\$ -
Share based payments	33,312	10,560
	\$ 90,616	\$ 10,560

Related party balances

At October 31, 2020, accounts payable and accrued liabilities include \$35,575 (December 31, 2019 - \$nil) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

**The 2020 period referenced above is for the ten-month period from January 1, 2020 to October 31, 2020.*

8. Income taxes

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	October 31, 2020	December 31, 2019
Loss before income taxes	\$ (608,600)	\$ (104,500)
Total expected income tax recovery at statutory rates	(164,300)	(28,200)
Net effect of deductible and non-deductible amounts	(7,100)	(9,400)
Unrecognized benefit of income tax losses	171,400	37,600
Actual income tax recovery	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	October 31, 2020	December 31, 2019
Non-capital loss carry-forwards	642,000	\$ 90,500
Share issue costs	132,000	48,900
Valuation allowance	(774,000)	(139,400)
	\$ -	\$ -

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This potential future tax benefit has been offset entirely by a valuation allowance and has not been recognized in these consolidated financial statements. The non-capital loss carry-forwards expire according to the following schedule:

	Non-capital losses
2038	\$ 200
2039	90,300
2040	551,500
	\$ 642,000

The deferred tax assets have not been recognized because at this stage of the Company's development it is not determinable that future taxable profit will be available against which the Company can't utilize such deferred tax assets.