WILLESON METALS CORP.

FINANCIAL STATEMENTS

From Incorporation on March 27, 2020 to August 31, 2020

(expressed in Canadian dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Willeson Metals Corp.

Opinion

We have audited the financial statements of Willeson Metals Corp. (the "Company"), which comprise the statement of financial position as at August 31, 2020, and the statement of loss and comprehensive loss, statement of cash flows and statement of changes in equity for the period from incorporation (March 27, 2020) to August 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2020, and its financial performance and its cash flows for the period from incorporation (March 27, 2020) to August 31, 2020, 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other 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.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read Management's Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 risks 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 the Company'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 the Company'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 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 the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 of the audit resulting in this independent auditor's report is Koko Yamamoto.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 29, 2020

WILLESON METALS CORP.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	Notes		August 31, 2020
ASSETS			
Current			
Cash and cash equivalents		**$**	**873,486**
Restricted cash	**3(d)**		**378,100**
Amounts receivable	**7**		**13,812**
Prepaid expenses			**5,001**
TOTAL ASSETS		**$**	**1,270,399**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**9**	**$**	**100,958**
Short-term promissory note payable	**10**		**164,593**
Flow-through share premium liability	**11**		**267,475**
Total Current Liabilities		**$**	**533,026**
Non-Current			
Long-term promissory notes payable	**10**	**$**	**354,075**
TOTAL LIABILITIES		**$**	**887,101**
SHAREHOLDERS' EQUITY			
Share capital	**12(b)**	**$**	**1,333,799**
Contributed surplus	**12(c)**		**16,809**
Accumulated deficit			**(967,310)**
TOTAL SHAREHOLDERS' EQUITY			**383,298**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**1,270,399**

Going concern (Note 2)
Commitments and contingencies (Notes 6, 11, and 19)
Subsequent events (Note 21)

Approved on Behalf of the Board on October 29, 2020.

"Robert Dixon" — Robert Dixon – Director

"Karen Rees" — Karen Rees – Director

See accompanying notes to the financial statements.

WILLESON METALS CORP.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

From Incorporation on March 27, 2020 to August 31, 2020

	Notes		2020
Operating expenses			
General office and other expenses		$	54,252
Share-based compensation	12(c)		16,809
Professional fees	13		67,247
Exploration expenses	8		829,459
Total operating expenses		$	967,767
Interest expense	10		8,168
Flow-through premium recovery	11		(8,625)
Net loss		$	(967,310)
Weighted average shares outstanding			8,985,224
Basic and diluted			
(Loss) per share			
Basic and diluted			(0.11)

See accompanying notes to the financial statements.

WILLESON METALS CORP.
STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

From Incorporation on March 27, 2020 to August 31, 2020

	Notes		2020
Operating Activities			
Net loss		$	(967,310)
Items not affecting cash:			
Share-based payments	12(c)		16,809
Premium on flow-through shares	11		(8,625)
Interest expense	10		8,168
Purchase of Lynn Lake properties	6		760,500
Changes in non-cash operating working capital:			
Amounts receivable	7		(13,812)
Prepaid expenses			(5,001)
Accounts payable and accrued liabilities	9		100,958
Cash used in Operating Activities		$	(108,313)
Financing Activities			
Issuance of shares	12(b)	$	1,540,600
Funds held in escrow from flow-through financing	3(d)		(378,100)
Share issuance costs	12(b)		(30,701)
Payment of promissory note	10		(150,000)
Cash provided by Financing Activities		$	981,799
Increase in cash and cash equivalents			873,486
Cash and cash equivalents, beginning of period			0
Cash and Cash Equivalents, end of period		$	873,486

See accompanying notes to the financial statements.

WILLESON METALS CORP.
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars, except share information)

	Notes	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
At Incorporation on March 27, 2020		1	$ -			$ -
Shares issued under non-brokered private placements	**12(b)**	15,020,000	1,540,600			1,540,600
Shares issued for Purchase of Lynn Lake Properties	**6**	10,000,000	100,000			100,000
Flow-through share premium	**11**		(276,100)			(276,100)
Share issuance costs	**12(b)**		(30,701)			(30,701)
Share-based compensation	**12(c)**			$ 16,809		16,809
Net loss and comprehensive loss					$ (967,310)	(967,310)
At August 31, 2020		**25,020,001**	**$ 1,333,799**	**16,809**	**(967,310)**	**$ 383,298**

See accompanying notes to the financial statements.

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Willeson Metals Corp. ("Willeson" or the "Company") is a corporation in the business of locating and exploring mineral properties, with a primary focus on gold exploration in the province of Manitoba, Canada.

The Company was incorporated on March 27, 2020, under the laws of Ontario. The Company is a Canadian Controlled Private Corporation ("CCPC"). The Company's head office is located at Suite 1400 - 25 Adelaide Street East, Toronto, Ontario, M5C 3A1.

2. BASIS OF PREPARATION AND GOING CONCERN

These financial statements for the period from incorporation on March 27, 2020 to August 31, 2020 (the "Period"), have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). IFRS includes International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs").

The Company is in the exploration stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in tranches. The Company had a net loss of $967,310 for the period ended August 31, 2020, and had an accumulated deficit of $967,310, working capital of $1,004,848, excluding the flow-through share premium liability, and flow-through commitments of $753,792 as at August 31, 2020.

The Company's ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due, the Company being able to obtain the necessary financing to complete the development of its mineral properties, the attainment of profitable mining operations, and, or the receipt of proceeds from the disposition of its mineral properties. The outcome of these matters cannot be predicted at this time. Although the Company has been successful in obtaining financing in the past, there is no assurance that funds will be available on terms acceptable to the Company or at all in the future. These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material. The Company plans to raise additional capital to execute its business plan, however the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment. Overall, management believes working capital is sufficient to support planned operations for the next 12 months.

The principal activities of the Company are the locating and exploring of mining properties, primarily for gold. Mineral projects are presently located in Manitoba. To date, the Company has not earned any revenues. The Company is considered to be in the exploration stage. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The

Company's mineral property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties, and political uncertainty.

The Company has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continued operations of the Company are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

The Company's Board of Directors authorized the issuance of the financial statements on October 29, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company in the preparation of its financial statements are set out below.

a) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value through profit or loss ("FVTPL"), as explained in the accounting policies described herein. Additionally, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Currency of presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the functional and reporting currency of Willeson.

c) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with original maturities of twelve months or less and are subject to an insignificant risk of changes in value. As at August 31, 2020, the Company did not have any cash equivalents.

d) Restricted Cash

Restricted cash consists of funds that were raised as part of the flow-through private placement (Notes 11 and 12(b)). These funds are being held in escrow until such time as Willeson has incurred $400,000 in eligible Canadian Exploration Expenditures on its Manitoba exploration properties. As at August 31, 2020, the Company had $378,100 in restricted cash.

e) Exploration and evaluation expenditures

The Company expenses all exploration and evaluation expenditures. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities. Such costs are capitalized once technical feasibility and commercial viability are reached, demonstrating future economic benefits are probable and will flow to the Company.

f) Leases

At inception of a contract, the Company assesses whether a 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a) The contract involves the use of an identified asset, specified either explicitly or implicitly, that is physically distinct, and usage represents substantially all of the capacity of the asset; if the supplier has a substantive substitution right then the asset is not identified;
b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
c) The Company has the right to direct use of the asset, which is evidenced by decision-making rights to direct how and for what purposes the asset is used.

The Company recognizes a Right of Use ("ROU") asset and a lease liability at the lease commencement date.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and lease incentives received. The asset is subsequently depreciated using the straight line method, from the commencement date to the earlier of the end of useful life of the asset or the end of the lease term.

The lease liability is initially measured at the present value of future lease payments, discounted using the incremental borrowing rate as the discount rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option. If the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the ROU asset, or is recorded in the statement of loss and comprehensive loss if the carrying value of the ROU asset is zero.

The Company has elected not to recognize ROU assets and lease liabilities for leases of low value assets and lease liabilities of less than twelve months. These lease payments are recognized as an expense in the statement of loss and comprehensive loss over the term of the lease.

The Company did not have any leases during the period ended August 31, 2020.

g) Provisions

A provision is recognized if, as a result of a past event, the Company has a present liability for statutory, contractual, or legal obligations that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. The Company did not have any material provisions for the period ending August 31, 2020.

h) Financial instruments

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire.

The Company ceases to recognize financial assets when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset.

Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged cancelled or expired.

<u>Classification and Measurement</u>

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) Amortized cost;
ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.
Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company classifies its cash and cash equivalents and restricted cash at amortized cost.

The Company's financial liabilities consist of accounts payable, accrued liabilities, and promissory notes payable, which are classified and measured at amortized cost using the effective interest method. Interest expense is recorded in net loss.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

i) Share capital

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

j) Share-based payments

The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The Company annually revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to contributed surplus.

Refer to note 12(c).

k) Flow-through shares

Canadian tax legislation permits a company to issue flow-through shares, where the deduction relating to Canadian Exploration Expenses for tax purposes is claimed by investors rather than the Company. The issue of flow-through shares results in an issuance of ordinary shares and the sale of tax deductions. The sale of tax deductions are measured using the residual method.

The Company has completed a flow-through private placement in the Period. The premium paid by investors for flow-through shares in excess of the market value of the shares is recognized as a flow-through share premium liability on the statement of financial position. Upon eligible exploration expenses being incurred, the Company derecognizes the liability and recognizes a flow-through premium recovery reflecting the renunciation of flow-through eligible expenditures on the statement of loss and comprehensive loss.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

l) Income taxes

Income tax on the earnings or loss for the Period presented comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

m) Environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development and ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charges against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

n) Income (loss) per share

Basic income (loss) or income (loss) per share represents the loss or profit for the period, divided by the weighted average number of common shares issued during the period. Diluted income or loss per share represents the profit or loss for the period, divided by the weighted average number of common shares issued during the period plus the weighted average number of dilutive shares that could result from the exercise of stock options, warrants and other similar instruments where the inclusion of these items would not be anti-dilutive. When a loss per share calculation based on the diluted number of shares would be less than the loss per share calculated on the basic number of shares, diluted loss per share is anti-dilutive and accordingly, the diluted loss per share would be the same as the basic loss per share.

4. CHANGES IN ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

5. CRITICAL JUDGMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

a) *Critical accounting estimates*

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

i. Contingencies

Refer to Notes 6, 11 and 19.

ii. *Income taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

iii. *Share-based payments*

The fair value of the estimated number of stock options that will eventually vest is recognized as share-based compensation expense over the vesting period of the stock options with the corresponding increase in equity.

Determining the fair value of options requires the exercise of judgment related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Option pricing models require the input of highly subjective assumptions including the expected price volatility and expected life. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's options at the date of grant. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. See Note 12(c).

The fair value of the purchase of the Lynn Lake Properties (see Note 6) was based on Exiro Minerals Corp. ("Exiro")'s historical costs, which in management's opinion approximates the fair value of the property interest acquired. Consideration for the purchase includes 10 million common shares of Willeson issued to Exiro and promissory notes.

iv. *Interest on Promissory Notes*

The promissory notes issued to Exiro as part of the purchase of the Lynn Lake Properties (see Note 6) are non-interest-bearing notes to a related party (see Note 20). The Company discounted the promissory notes at a rate of 8%, which is based on interest rates extended to other comparable entities on an arm's length basis, resulting in a lower promissory note payable on the statement of financial position. Interest will be recorded during the life of the promissory note to bring the promissory note payable amount to the face value on the due date. See Note 10.

6. PURCHASE OF LYNN LAKE PROPERTIES

On June 19, 2020, Willeson purchased a 100% undivided legal and beneficial interest in mining claims comprising the Beaucage, Hatchet, Barrington-Tow, and Hughes properties in the Lynn Lake area of Manitoba (individually herein, (each a "Lynn Lake Property", and collectively, the "Lynn Lake Properties") from Exiro for the following considerations:

a) The issuance to Exiro of 10 million common shares of Willeson, valued at $100,000 ($0.01 per common share) (issued June 19, 2020);

b) The issuance of a promissory note in the amount of $150,000, maturing on the earlier of (i) the 3 month anniversary of the purchase date, or (ii) 5 days following the closing of a subsequent financing (paid during the Period);

c) The issuance of a promissory note in the amount of $175,000, maturing on June 19, 2021;

d) The issuance of a promissory note in the amount of $175,000, maturing on June 19, 2022; and

e) The issuance of a promissory note in the amount of $250,000, which may be fully satisfied at Willeson's election by a cash payment or through the issuance to Exiro of 2.5 million common shares of Willeson, maturing on June 19, 2023.

All promissory notes are non-interest bearing. After the payment due date, default or judgement, the principal amount outstanding bears interest at 5% per annum, and the note is payable on demand.

Exiro shall retain a 2% Net Smelter Return Royalty (the "**NSR**") on each Lynn Lake Property subject to a buy-back right whereby for each Lynn Lake Property, this can be reduced to a 1.5% NSR for a payment of $500,000.

As part of the agreement, Willeson is also granted a right of first look for any mineral interests Exiro may option, sell, or otherwise vend in the Province of Manitoba within a five (5) year period from the purchase date.

Exiro and Willeson also entered into a shareholder rights agreement pursuant to which Exiro, provided it owns at least a 5% interest in Willeson, shall be granted certain rights including:

a) The right to participate in future equity financings of Willeson and maintain its pro rata ownership prior to the equity financing;
b) A one time right to participate in future equity financings with a greater amount than its pro-rata ownership to increase its ownership up to 19.99% of the Company's issued and outstanding common shares; and
c) The right to appoint one member to the Company's board of directors.

(Expressed in Canadian dollars, except where otherwise noted)

7. AMOUNTS RECEIVABLE

		August 31, 2020
Sales taxes receivable	$	13,812
	$	13,812

8. EXPLORATION EXPENSES

For the period ended August 31, 2020

		Beaucage		Hatchet		Barrington-Tow		Hughes		Total
General	$	95	$	-	$	-	$	-	$	**95**
Acquisition/Staking		478,383		178,656		62,577		42,309		**761,925**
Geology/Geochemistry		48,929		10,088		3,533		2,389		**64,939**
Geophysics		2,500		-		-		-		**2,500**
Total	$	**529,907**	$	**188,744**	$	**66,110**	$	**44,698**	$	**829,459**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		August 31, 2020
Trade payables	$	32,527
Accrued liabilities		68,431
	$	100,958

10. PROMISSORY NOTES

		August 31, 2020
Promissory notes payable	$	518,668
Total Debt	$	518,668
Current		164,593
Non-Current	$	354,075

The Company purchased Lynn Lake properties from Exiro (see Note 6) which resulted in the issuance of four promissory notes for a total face value of $750,000. The amounts advanced bear no interest and are secured by the Lynn Lake Properties.

A promissory note of $150,000 was paid during the Period. The remaining notes were valued by discounting the future cash flows to its present value using an interest rate of 8%. The discounted value of $660,500 was recognized at the time of issue, on June 19, 2020. Interest expense was recorded for the Period of $8,168 on the statement of loss and comprehensive loss.

(Expressed in Canadian dollars, except where otherwise noted)

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

The flow-through common shares issued in the private placement tranches completed on July 28, 2020 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $276,100.

The flow-through premium is derecognized through income as eligible expenditures are incurred. As at August 31, 2020, the Company had satisfied $8,625 of the liability by incurring eligible flow-through expenditures of $24,308 during the Period. As a result, the flow-through premium liability has been reduced to $267,475. The total remaining flow-through expenditure commitment as at August 31, 2020 is $753,792 (Refer to Note 19).

12. SHARE CAPITAL

a) Authorized

Unlimited common shares with no par value.

b) Shares issued and outstanding

	Common Shares		Amount
At incorporation on March 27, 2020	**1**	**$**	**0**
Shares issued under non-brokered private placement	2,500,000		12,500
Shares issued as part of purchase of Lynn Lake Properties	10,000,000		100,000
Shares issued under non-brokered private placement	7,500,000		750,000
Shares issued under non-brokered private placement	5,020,000		778,100
Flow-through share premium			(276,100)
Share issuance costs			(30,701)
As at August 31, 2020	**25,020,001**	**$**	**1,333,799**

On March 27, 2020, the Company issued one share at a price of $0.005 to Exiro.

On June 2, 2020, the Company completed a private placement, issuing 2,500,000 common shares at a price of $0.005 per share. The shares were issued to Exiro (1,250,000 shares) and officers of the Company.

On June 19, 2020, the Company issued 10,000,000 common shares at a price of $0.01 per share to Exiro as a part of the purchase price for the Lynn Lake Properties (see Note 5 (a)(iii) and 6).

On July 24, 2020, the Company completed a private placement, issuing 7,500,000 common shares at $0.10 per share for total proceeds of $750,000. Officers, directors, and their close family members of the Company subscribed for 1,162,500 shares.

(Expressed in Canadian dollars, except where otherwise noted)

On July 28, 2020, the Company completed a flow-through private placement, issuing 5,020,000 common shares at a price of $0.155 per share for total proceeds of $778,100, of which $502,000 was allocated to share capital and $276,100 to flow-through share premium liability. Board members of Exiro and their close family members subscribed for 525,000 shares.

c) Stock options

During the Period, the Company adopted a rolling 10% stock option plan (the "Plan"), which provides that the directors of the Company may grant options to purchase common shares of the Company to directors, officers, employees and service providers, with the number of options being limited to 10% of the issued common shares at the time of granting of options. The Board in its sole discretion may determine any vesting provisions for options. The exercise price shall be determined by the directors of the Company at the time of grant in accordance with the provisions of the Plan. The expiry date for an option shall not be more than five years from the grant date.

Option transactions and the number of options outstanding are summarized as follows:

	Outstanding	Weighted Average Exercise Price
As at Incorporation on March 27, 2020	-	$ -
Options granted	525,000	0.10
Options forfeited or cancelled	-	-
As at August 31, 2020	525,000	$ 0.10

The share-based compensation expense for the period ended August 31, 2020 was $16,809.

For options granted on July 10, 2020, one third of the options vested immediately on the grant date, one-third will vest on the first anniversary of the grant date and one third will vest on the second anniversary of the grant date.

As at August 31, 2020, the options outstanding and exercisable were as follows:

	Options Outstanding			Options Exercisable		
Exercise Price	Number	Weighted average remaining life	Weighted average exercise price	Number	Weighted average remaining life	Weighted average exercise price
$0.10	525,000	4.86 years	$0.10	175,000	4.86 years	$0.10

The fair value of each option grant has been estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

(Expressed in Canadian dollars, except where otherwise noted)

		Period Ended August 31, 2020
Exercise price	$	**0.10**
Share price	$	**0.10**
Expected life (years)		**5**
Risk free interest rate		**0.36%**
Expected volatility		**112%**
Expected dividend yield		**0%**
Forfeiture rate		**0%**
Fair value	$	**0.079**

The Company's computation of expected volatility for the period ended August 31, 2020 was based on an average volatility of comparable gold exploration companies in Manitoba.

13. PROFESSIONAL FEES

		Period Ended August 31, 2020
Legal	$	**3,672**
Audit, accounting, and tax		**24,000**
Management consulting		**39,575**
	$	**67,247**

14. INCOME TAXES

The income tax recovery amount on the Company’s loss before income taxes differs from the income tax recovery amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26.5% as a result of the following items:

		Period Ended August 31, 2020
Net (Loss) before taxes	$	**(967,310)**
Income tax recovery at statutory rate		**256,000**
Effect on taxes of:		
Non-deductible expenses		**(10,000)**
Change in deductible temporary differences		**(246,000)**
Income tax recovery (expense)	$	**-**

(Expressed in Canadian dollars, except where otherwise noted)

Unrecognized deductible temporary differences

Deferred tax assets have not been recognized in respect of the following deductible temporary differences.

		Period ended August 31, 2020
Non-capital loss carry-forwards – Canada	$	124,000
Share issue costs		28,000
Mineral property expenditures		805,000
	$	957,000

The Canadian tax loss carry-forwards will expire in 2040.

15. CAPITAL MANAGEMENT

The Company defines capital as its shareholders' equity (comprised of issued share capital, contributed surplus and accumulated deficit). The Company's objectives when managing capital are to support the Company's main activities of identifying, defining and developing mineral deposits, thus creating shareholder value, as well as ensuring that the Company will be able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility to enable the Company to respond to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at August 31, 2020, the Company has $518,668 of short and long-term promissory notes payable outstanding, relating to the purchase of the Lynn Lake Properties. The Company is not subject to any externally imposed capital requirements or debt covenants.

16. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash, amounts receivable, promissory notes payable, accounts payable and accrued liabilities.

Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their immediate and short-term nature. Financial liabilities such as promissory notes payable are classified and measured at amortized cost using the effective interest method.

The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(Expressed in Canadian dollars, except where otherwise noted)

17. FINANCIAL RISK MANAGEMENT

The Company has exposure to certain risks resulting from its use of financial instruments.

a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2020, the Company had current assets of $1,270,399 to settle current liabilities of $265,551, excluding the flow-through liability, and long-term debt of $354,075. Other than the promissory notes owed to Exiro, the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

As at August 31, 2020, the Company has minimal sources of revenue to fund its operating expenditures. The Company will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital or debt financing. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. Consequently, the Company is currently exposed to a moderate level of liquidity risk.

The following table provides details on the Company's contractual maturities for its undiscounted financial liabilities as at August 31, 2020.

For the period ended August 31, 2020	Face Value	0 to 12 months	12 to 24 months	After 24 months
Accounts payable and accrued liabilities	$ 100,958	$ 100,958	$ -	$ -
Promissory note payable	600,000	175,000	175,000	250,000
	$ 700,958	**$ 275,958**	**$ 175,000**	**$ 250,000**

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash and amounts receivable are exposed to credit risk. The Company has assessed the credit risk on its cash as low as its funds are held in a highly rated Canadian financial institution. The Company's restricted cash held in escrow are held by a legal firm. The Company's accounts receivable consists of sales tax receivable. Sales tax receivable is with the Canadian government, which has a positive history of refunding balances owing. Management therefore deems the credit risk to be minimal.

The Company's maximum exposure to credit risk related to certain financial instruments as identified below, approximates the carrying value of these assets on the Company's statements of financial position.

		August 31, 2020
Cash and cash equivalents	$	**873,486**
Restricted cash		**378,100**
Amounts receivable		**13,812**
	$	**1,265,398**

c) Market Risks

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

i. Interest rate risk

The Company has a low-interest bearing cash balance and no interest-bearing debt. The Company's short and long-term debt is not interest bearing, unless the Company is late in repaying its promissory notes for the Lynn Lake Properties. The Company regularly monitors its cash management policy. Management has determined interest rate risk to be low.

ii. Foreign currency risk

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

The Company's functional currency is the Canadian dollar. As at August 31, 2020, the Company did not have any financial instruments denominated in foreign currencies, and therefore had no foreign currency risk.

iii. Price risk

The Company is exposed to price risk with respect to commodity prices and prices of equity securities. Equity security price risk is defined as the potential adverse impact on the Company's net income or loss due to movements in individual prices of equity securities or price movements in the stock market generally. Commodity price risk is defined as the potential adverse impact on net income or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, and movement in the price of individual equity securities movements and the stock market generally, to determine the appropriate course of action to be taken by the Company.

18. SEGMENTED INFORMATION

Operating segments are components of an entity whose operating results are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which separate financial information is available.

The Company has one operating segment in one geographic region, which involves the exploration of mineral deposits. Currently, all mineral properties are located in Canada.

19. COMMITMENTS AND CONTINGENCIES

General environmental contingencies

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Maintenance of claims

The Company is required to keep the mineral claims on the Lynn Lake Properties in good standing by ensuring the assessment spending requirements are met. Currently Beaucage, Hughes and Barrington-Tow are in good standing until December 2021 with the required spending being met. Spending of $46,280 will need to be spent on Hatchet by May 2021 in order to keep the claims in good standing.

Flow-through expenditures

In connection with the flow-through financing undertaken during the Period, the Company has committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada) of a total of $778,100 by December 31, 2021. If the eligible expenditures are not renounced by the termination date, the Company shall indemnify and hold the shareholders harmless. As at August 31, 2020, the Company had incurred $24,308 of qualifying exploration expenditures. The Company is committed to spend the remaining $753,792 in eligible expenditures by December 31, 2021.

COVID-19 Impact

In March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

(Expressed in Canadian dollars, except where otherwise noted)

20. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of non-executive members of the Company's Board of Directors and corporate officers.

The Company entered into the following transactions with related parties:

		Period Ended August 31, 2020
Chief Executive Officer (a)	$	25,000
Palladium Place Consulting Professional Corporation (b)		15,675
Ram Jam Holdings Inc. (c)		20,000
Corporate Secretary (d)		3,900
Share-based compensation		14,408
	$	**78,983**

a) As at August 31, 2020, no amounts were included in accounts payable and accrued liabilities with respect to CEO fees and reimbursable expenditures.

b) For the Period, the Company expensed $15,675 to Palladium Place Consulting Professional Corporation for Stephanie Hart to act as Chief Financial Officer of the Company. As at August 31, 2020, Palladium Place Consulting Professional Corporation was owed $5,904.

c) For the Period, $20,000 was paid to Ram Jam Holdings Inc. for consulting services rendered by a director. No amounts were included in accounts payable and accrued liabilities as at August 31, 2020.

d) For the Period, the Company paid $3,900 to Orest Zajcew for corporate secretarial services. As at August 31, 2020, $1,390 was included in accounts payable and accrued liabilities.

As at August 31, 2020, a total of 4,327,048 shares of the Company were held by directors and officers of the Company and Exiro and their close family members. Of these shares, 2,937,500 shares were subscribed through private placements (see Note 12(b)) and 1,389,548 shares were acquired/transferred from Exiro.

The Company's officers and non-executive board members were granted 450,000 options during the period ended August 31, 2020. Directors did not receive any cash compensation for their services to date as at August 31, 2020. For the period ended August 31, 2020, the Company's officers and non-executive board members received share-based compensation valued at $14,408.

Orix Geoscience 2018 Inc. ("Orix"), a company of which a director and shareholder is a beneficial owner, provides certain geological, exploration and administrative services to the Company and has made certain payments on behalf of the Company on an as-needed basis. Transactions with Orix are conducted on normal market terms via a services agreement.

A total of $58,824 in expenses in the statements of loss and comprehensive loss were invoiced by Orix ($58,134 of exploration expense, and $690 in other operating expenses) for services in the period ended August 31, 2020. The Company had $20,204 in accounts payable to Orix as at August 31, 2020.

As at August 31, 2020, Exiro owned approximately 29% (7,250,001 shares) of Willeson's common shares outstanding. Therefore, any transactions with Exiro are related party transactions, including the Purchase of the Lynn Lake Properties and the consideration for the purchase described in Note 6 and the shares subscribed as part of the private placements in Note 12 (b)).

Exiro charged $2,712 for exploration services during the period and are recorded as exploration expenses in the statements of loss and comprehensive loss and as accounts payable and accrued liabilities. Transactions with Exiro are conducted based on market terms via a services agreement.

A senior executive of Exiro was granted 25,000 options during the period ended August 31, 2020.
This share-based compensation was valued at $800 during the period ended August 31, 2020.

Amounts payable to related parties are unsecured, with the exception of the promissory notes (Note 10), and non-interest bearing.

21. SUBSEQUENT EVENTS

None noted.