
1246773 B.C. LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2021

(Expressed in Canadian Dollars)

1246773 B.C. LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	March 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash		\$ 85,721	\$ 145,274
Amounts receivable		4,164	-
Prepaid expense		29	-
Total assets		\$ 89,914	\$ 145,274
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 23,058	\$ 12,443
Due to related parties	3	38,517	36,992
		61,575	49,435
SHAREHOLDERS' EQUITY			
Share capital	4	157,800	157,800
Deficit		(129,461)	(61,961)
		28,339	95,839
Total liabilities and shareholders' equity		\$ 89,914	\$ 145,274

Nature of operations and going concern (Note 1)
Commitments (Note 7)
Subsequent event (Note 8)

Approved and authorized on behalf of the Board of Directors on May 25, 2021

Director James Ward (signed)

Director Stephen Sandusky (signed)

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

1246773 B.C. LTD.**UNAUDITED CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

	Three months ended March 31, 2021
EXPENSES	
Accounting and corporate secretarial fees	\$ 2,500
Marketing	1,037
Bank charges	43
Professional fees	37,773
Regulatory and transfer agent fees	26,147
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NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ (67,500)
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NET LOSS PER SHARE – BASIC AND DILUTED	\$ (0.011)
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WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	6,150,000

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

1246773 B.C. LTD.**UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Deficit	Total
Balance, December 31, 2020	6,150,000	\$ 157,800	\$ (61,961)	\$ 95,839
Net loss and comprehensive loss for the period	-	-	(67,500)	(67,500)
Balance, March 31, 2021	6,150,000	\$ 157,800	\$ (129,461)	\$ 28,339

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

1246773 B.C. LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	Three months ended March 31, 2021	
Operating activities:		
Net loss for the period	\$	(67,500)
Changes in non-cash working capital related to operations:		
Amounts receivable		(4,164)
Prepaid expenses		(29)
Due to related party		1,525
Accounts payable and accrued liabilities		10,615
Net cash used in operating activities		(59,553)
Decrease in cash during the period		(59,553)
Cash – beginning of the period		145,274
Cash – end of the period	\$	85,721

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

1246773 B.C. LTD.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2021

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

1246773 B.C. Ltd. ("the Company") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020 and its principal business activity is searching for a suitable business or project to acquire, while complying with the requirements of being a public company. The Company's head office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

On June 25, 2020, 773 BC's parent company, 1289625 B.C. Ltd. ("1289625", formerly 2583262 Ontario Inc.), announced that it will go through a statutory plan of arrangement (the "Plan") involving its eight (8) wholly-owned subsidiaries. The Plan will involve, among other things, the distribution of common shares of 773 BC to current shareholders of 1289625 on the basis of one hundred thousand (100,000) 773 BC common shares per outstanding common share of the 1289625.

On July 24, 2020, 1289625 completed the Plan thereby resulting in the Company being spun out and becoming a non-listed reporting issuer.

These interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. For the three months ended March 31, 2021, the Company had accumulated deficit of \$129,461. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company's ability to continue its operations as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRIC's") as issued by the International Accounting Standards Board ("IASB"). These financial statements were approved by the board of directors for issue on May 25, 2021.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Foreign currencies

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments

Recognition and classification

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.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial asset debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

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

Financial assets and liabilities at amortized cost

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

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

1246773 B.C. LTD.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2021

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Derecognition

Financial assets

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

Financial liabilities

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

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares and warrants are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are recognized in profit or loss.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the value ascribed to the shares issued and the balance, if any, is allocated to the attached warrants.

f) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

3. RELATED PARTY TRANSACTIONS

As at March 31, 2021, the Company has \$38,517 in related party liabilities owing to 1289625 B.C. Ltd for reimbursable expenses incurred on behalf of the Company.

4. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – 6,150,000 common shares

5. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is currently dependent on 1289625 as its primary source of operating capital.

6. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash as FVTPL, amounts receivable as amortized cost, and accounts payable and accrued liabilities as amortized cost.

a) Fair value of financial instruments

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at March 31, 2021, the Company believes that the carrying values of amounts receivable and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The credit risk related to cash is considered minimal.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

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(Expressed in Canadian Dollars)

7. COMMITMENTS

On March 12, 2021, 1246773 B.C. Ltd announced that it has agreed to complete a series of transactions with 2311548 Alberta Ltd. ("TargetCo") that will result in the Company indirectly acquiring the rights to certain mineral assets located in Chile (the "Chile Properties"). The proposed transactions will be effected through an amalgamation agreement (the "Amalgamation Agreement"). The transactions are conditional on TargetCo completing the Private Placement and the TSX Venture Exchange ("TSXV") approving the listing of the common shares of 773 ("Resulting Issuer Shares").

8. SUBSEQUENT EVENT

On May 11, 2021, the company announced the closing of a non-brokered private placement for 8,223,156 subscription receipts at a price of \$0.50 each for gross proceeds of \$4,111,578. Each subscription receipt will entitle the holder to receive one common share of TargetCo.