

INFIELD MINERALS CORP.
(formerly Infield Capital Corp.)

Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

For the three months ended March 31, 2021 and 2020

INFIELD MINERALS CORP.

(formerly Infield Capital Corp.)

(the “Company”)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2021

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Management of the Company is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) for the preparation of condensed interim consolidated financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

INFIELD MINERALS CORP. (formerly Infield Capital Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

| | March 31, 2021 | December 31, 2020 |
|---|---------------------|----------------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 867,229 | \$ 1,357,178 |
| GST receivable | 14,984 | 5,145 |
| Prepaid expenses | 7,128 | 6,664 |
| Restricted cash (Note 5 and 9) | 3,242,013 | - |
| | 4,131,354 | 1,368,987 |
| Exploration and evaluation assets (Note 4) | 958,574 | 676,198 |
| Total Assets | \$ 5,089,928 | \$ 2,045,185 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 82,602 | \$ 101,568 |
| Due to related parties (Note 7) | - | 16,354 |
| | 82,602 | 117,922 |
| Shareholders' Equity (Deficiency) | | |
| Share capital (Note 5) | 2,069,000 | 2,065,250 |
| Obligation to issue shares (Note 5 and 7) | 22,500 | 26,250 |
| Subscriptions received, net (Note 5 and 9) | 3,228,045 | - |
| Deficit | (312,219) | (164,237) |
| | 5,007,326 | 1,927,263 |
| Total Liabilities and Shareholders' Equity | \$ 5,089,928 | \$ 2,045,185 |

Nature and continuance of operations (Note 1)
Subsequent events (Note 9)

Approved on Behalf of the Board on June 21, 2021:

"Evandra Nakano"
Evandra Nakano – Director

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

INFIELD MINERALS CORP. (formerly Infield Capital Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

| | For the three months ended March 31, 2021 | For the three months ended March 31, 2020 |
|--|--|--|
| Operating expenses | | |
| Consulting fees (Note 7) | \$ 23,000 | \$ - |
| Foreign exchange loss | 764 | - |
| General and administrative | 15,914 | - |
| Professional fees | 90,087 | - |
| Shareholder communications | 4,167 | - |
| Transfer agent and filing fees | 14,050 | - |
| Loss and comprehensive loss for the period | \$ (147,982) | \$ - |
| Weighted average number of shares outstanding – basic and diluted | 15,689,881 | 100 |
| Basic and diluted loss per share | \$ (0.01) | \$ - |

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

INFIELD MINERALS CORP. (formerly Infield Capital Corp.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

| | Share Capital | | Deficit | Total Shareholders' Equity (Deficiency) |
|-----------------------------------|---------------|-------------|-----------------|--|
| | Number | Amount | | |
| Balance, December 31, 2019 | 100 | \$ - | \$ (600) | \$ (600) |
| Loss for the period | - | - | - | - |
| Balance, March 31, 2020 | 100 | \$ - | \$ (600) | \$ (600) |

| | Share Capital | | Obligation to issue shares | Subscriptions Received | Deficit | Total Shareholders' Equity |
|---------------------------------------|-------------------|---------------------|-------------------------------|---------------------------|---------------------|-------------------------------|
| | Number | Amount | | | | |
| Balance, December 31, 2020 | 15,675,100 | \$ 2,065,250 | \$ 26,250 | \$ - | \$ (164,237) | \$ 1,927,263 |
| Subscriptions received (Note 5 and 9) | - | - | - | 3,436,000 | - | 3,436,000 |
| Share issuance costs (Note 5) | - | - | - | (207,955) | - | (207,955) |
| Obligation to issue shares (Note 5) | 75,000 | 3,750 | (3,750) | - | - | - |
| Loss for the period | - | - | - | - | (147,982) | (147,982) |
| Balance, March 31, 2021 | 15,750,100 | \$ 2,069,000 | \$ 22,500 | \$ 3,228,045 | \$ (312,219) | \$ 5,007,326 |

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

INFIELD MINERALS CORP. (formerly Infield Capital Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

| | For the three months ended March 31, 2021 | For the three months ended March 31, 2020 |
|--|--|--|
| Cash provided by (used in): | | |
| Operating Activities: | | |
| Loss for the period | \$ (147,982) | \$ - |
| Net change in non-cash working capital items: | | |
| Account payable and accrued liabilities | (67,986) | - |
| Due to related parties | (16,354) | - |
| Prepaid expenses | (464) | - |
| GST receivable | (9,839) | - |
| | (242,625) | - |
| Financing Activities: | | |
| Share subscriptions received | 3,436,000 | - |
| Share issuance costs | (207,955) | - |
| | 3,228,045 | - |
| Investing Activities: | | |
| Exploration and evaluation assets | (233,356) | - |
| | (233,356) | - |
| Increase in cash for the period | 2,752,064 | - |
| Cash, beginning of the period | 1,357,178 | - |
| Cash, end of the period | \$ 4,109,242 | \$ - |
| Supplemental information: | | |
| Interest paid | \$ - | \$ - |
| Income taxes paid | \$ - | \$ - |
| Non-cash transactions: | | |
| Common shares issued for exploration and evaluation assets | \$ 3,750 | \$ - |
| Exploration and evaluation assets included in accounts payable | \$ 49,020 | \$ - |
| Obligation to issue shares for exploration and evaluation assets | \$ 22,500 | \$ - |

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

INFIELD MINERALS CORP. (formerly Infield Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

1. NATURE AND CONTINUATION OF OPERATIONS

Infield Minerals Corp. (“Infield” or the “Company”) was incorporated on March 25, 2019 under the name Infield Capital Corp. in the Province of British Columbia. On August 24, 2020, Infield Capital Corp. changed its name to Infield Minerals Corp. On October 28, 2020, the Company incorporated a wholly owned Nevada subsidiary, Infield Minerals Nevada, Inc. The Company’s head office and its registered and records office is located at 1600 – 609 Granville Street, Vancouver, BC, V7Y 1C3.

The Company is principally engaged in the acquisition, exploration and evaluation of mineral resources, currently focusing on projects in Nevada, USA. At this time the Company does not own any operating mines and has no operating income from mineral production. Funding for exploration and operations will be raised primarily through share offerings.

These condensed interim consolidated financial statements have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of exploring and evaluating resource properties, operating costs, the current capital market environment and global market conditions. As at March 31, 2021, the Company has working capital (excluding restricted cash) of \$806,739. For significant expenditures and resource property exploration and evaluation, the Company depends almost exclusively on outside capital. Such outside capital includes the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company’s operating commitments and further exploration and evaluation plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, COVID-19 has not had an adverse impact on the Company.

INFIELD MINERALS CORP. (formerly Infield Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

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(Expressed in Canadian dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. Accordingly, these condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent audited annual consolidated financial statements of the Company as at and for the year ended December 31, 2020 which are included in the Company’s filing statement prepared in connection with its QT with ECC2, which is available on www.sedar.com. The Board of Directors authorized these condensed interim consolidated financial statements for issue on June 21, 2021.

Principles of consolidation

These condensed interim consolidated financial statements include accounts of the Company and the following subsidiary:

| Name of subsidiary | Country of incorporation | Percentage ownership | Principal activity |
|-------------------------------|--------------------------|----------------------|------------------------|
| Infield Minerals Nevada, Inc. | United States | 100% | Dormant ⁽¹⁾ |

⁽¹⁾ Subsidiary was incorporated on October 28, 2020 and was dormant for the period ended March 31, 2021.

All intercompany balances and transactions have been eliminated on consolidation.

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent audited annual consolidated financial statements as at and for the year ended December 31, 2020.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary. In addition, the condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

INFIELD MINERALS CORP. (formerly Infield Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make certain estimates, judgments and assumptions that affect the application of accounting policies and the report amount of assets, liabilities, income and expenses. 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

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year included:

i. Deferred tax assets and liabilities

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management’s assessment of the Company’s ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

ii. Exploration and evaluation assets

The carrying amount of the Company’s exploration and evaluation assets properties does not necessarily represent present or future values, and the Company’s exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management’s assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company’s exploration and evaluation assets.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**(b) Critical accounting judgment**

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

i. Going concern

The preparation of the condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

4. EXPLORATION AND EVALUATION ASSETS

| March 31, 2021 | Bandit Property | M1 Property | Desperado Property | Total |
|------------------------------|--------------------|-------------------|-----------------------|-------------------|
| Acquisition costs: | | | | |
| Balance, beginning of period | \$ 124,102 | \$ 67,114 | \$ 79,031 | \$ 270,247 |
| Additions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance, end of period | <u>124,102</u> | <u>67,114</u> | <u>79,031</u> | <u>270,247</u> |
| Exploration costs: | | | | |
| Incurred during the period: | | | | |
| Claim maintenance fees | - | 3,590 | - | 3,590 |
| Data review | 7,500 | 7,860 | 7,500 | 22,860 |
| Drilling | - | 245,084 | - | 245,084 |
| Fieldwork | - | 7,774 | 1,068 | 8,842 |
| Mapping | <u>-</u> | <u>2,000</u> | <u>-</u> | <u>2,000</u> |
| | 7,500 | 266,308 | 8,568 | 282,376 |
| Balance beginning of period | <u>194,289</u> | <u>182,854</u> | <u>28,808</u> | <u>405,951</u> |
| Balance, end of period | <u>201,789</u> | <u>449,162</u> | <u>37,376</u> | <u>688,327</u> |
| Total costs | \$ 325,891 | \$ 516,276 | \$ 116,407 | \$ 958,574 |

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4. EXPLORATION AND EVALUATION ASSETS (continued)

| December 31, 2020 | Bandit Property | M1 Property | Desperado Property | Total |
|----------------------------|----------------------------|------------------------|-------------------------------|----------------|
| Acquisition costs: | | | | |
| Balance, beginning of year | \$ - | \$ - | \$ - | \$ - |
| Additions | <u>124,102</u> | <u>67,114</u> | <u>79,031</u> | <u>270,247</u> |
| Balance, end of year | <u>124,102</u> | <u>67,114</u> | <u>79,031</u> | <u>270,247</u> |
| Exploration costs: | | | | |
| Balance, beginning of year | \$ - | \$ - | \$ - | \$ - |
| Incurred during the year: | | | | |
| Assays | 890 | 2,833 | 2,503 | 6,226 |
| Claim maintenance fees | 12,998 | 32,351 | - | 45,349 |
| Data review | - | 331 | - | 331 |
| Fieldwork | 25,918 | 23,263 | 25,676 | 74,857 |
| Geophysics | 153,983 | 123,576 | 198 | 277,757 |
| Mapping | <u>500</u> | <u>500</u> | <u>431</u> | <u>1,431</u> |
| Balance, end of year | <u>194,289</u> | <u>182,854</u> | <u>28,808</u> | <u>405,951</u> |
| Total costs | \$ 318,391 | \$ 249,968 | \$ 107,839 | \$ 676,198 |

M1 Property

The Company entered into a property option agreement dated June 30, 2020 with Mercury Exploration Nevada Inc. (“MExN”) to acquire a 100% interest in 182 mineral claims located in the State of Nevada (the “M1 Agreement”). The option terms consist of a combination of cash and share payments. Pursuant to the M1 Agreement, the Company paid US\$12,500 as well as issued 75,000 common shares of the Company valued at \$3,750, to MExN, on the agreement date. In order to complete the acquisition, the Company is required to make the following cash payments and issue the following shares based on the following schedule:

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Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Mercury One Property (continued)**

| Date for Completion | Cash Payment | Number of Common Shares to be Issued |
|---|----------------------|---|
| On the M1 Agreement date of June 30, 2020 | US\$12,500 (paid) | 75,000 (issued) |
| On or before the one-year anniversary of the M1 Agreement | US\$35,000 | 80,000 |
| On or before the two-year anniversary of the M1 Agreement | US\$65,000 | 90,000 |
| On or before the three-year anniversary of the M1 Agreement | US\$95,000 | 100,000 |
| TOTAL | US\$207,500 | 345,000 |

The Company must also incur exploration expenditures on the M1 Property of not less than \$200,000 by September 30, 2021.

Bandit Property

The Company entered into a property option agreement dated June 30, 2020 with MExN to acquire a 100% interest in 73 mineral claims in the State of Nevada (the “Bandit Agreement”), subject to a 2% net smelter royalty (“NSR”) on 13 claims which falls under an option assignment agreement (the “Assignment Agreement”) dated June 30, 2020 with Silver Range Resources Ltd. (“Silver Range”). Pursuant to the Bandit Agreement, the Company paid US\$17,500 as well as issued 75,000 common shares of the Company valued at \$3,750, to MExN, on the agreement date.

INFIELD MINERALS CORP. (formerly Infield Capital Corp.)

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(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Bandit Property (continued)**

In order to complete the acquisition, the Company is required to make the following cash payments and issue the following shares based on the following schedule:

| Date for Completion | Cash Payment | Number of Common Shares to be Issued |
|---|-----------------------|---|
| On the Bandit Agreement date of June 30, 2020 | US \$17,500 (paid) | 75,000 (issued) |
| On or before the one-year anniversary of the Bandit Agreement | US \$30,000 | 80,000 |
| On or before the two-year anniversary of the Bandit Agreement | US \$60,000 | 90,000 |
| On or before the three-year anniversary of the Bandit Agreement | US \$90,000 | 100,000 |
| TOTAL | US \$197,500 | 345,000 |

The Company must also incur exploration expenditures on the Bandit Property of not less than \$100,000 by September 30, 2021.

Pursuant to the Assignment Agreement and Bandit Agreement the Company paid US\$10,000 to Silver Range on July 10, 2020, and must pay an additional US\$10,000 on or before July 10, 2021, and shall be required to make annual advance royalty payments to Silver Range as follows:

| | |
|--|------------|
| On or before July 16, 2024 | US\$10,000 |
| On or before July 16, 2025 | US\$15,000 |
| On or before each of July 16, 2026 through and including July 16, 2034 | US\$20,000 |

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4. EXPLORATION AND EVALUATION ASSETS (continued)

Bandit Property (continued)

The aggregate of advance royalty payments shall not exceed US\$205,000 and such payments shall be credited to the Company against royalty payments due to Silver Range upon commencement of commercial production from the Bandit Property.

Additional consideration to Silver Range includes a one-time payment of US\$2 per gold-equivalency ounce defined as a measured or indicated resource or a proven or probable reserve as contained in a NI 43-101 compliant technical report applicable to the 13 claims under the Assignment Agreement.

Desperado Property

The Company has acquired through ground staking 172 lode mining claims in Nye County, Nevada. The Desperado Property is 100% owned by the Company and is not subject to any royalties.

5. SHARE CAPITAL

a) Authorized

Unlimited number of common shares and preferred shares without par value.

b) Issued and outstanding

On March 25, 2019, the Company issued 100 common shares of the Company at a price of \$0.001 per common share.

On June 4, 2020, the Company completed a private placement and issued 5,000,000 common shares at a price of \$0.01 per common share for proceeds of \$50,000.

On June 30, 2020, the Company issued 150,000 common shares at a price of \$0.05 per common share in connection with the M1 and Bandit Property Agreements (Note 4).

On August 5, 2020, the Company issued 200,000 common shares at a price of \$0.05 per common share in connection with a consulting agreement with the Company's Vice President – Exploration (Note 7).

On August 14, 2020, the Company completed a private placement and issued 6,000,000 common shares at a price of \$0.05 per common share for proceeds of \$300,000.

On September 25, 2020, the Company completed a private placement and issued 3,737,500 common shares at a price of \$0.40 per common share for gross proceeds of \$1,495,000. The Company paid \$6,000 as finder's fees in connection with the private placement.

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5. SHARE CAPITAL (continued)

On October 5, 2020, the Company completed a private placement and issued 512,500 common shares at a price of \$0.40 per common shares for gross proceeds of \$205,000.

On each of November 5, 2020, and February 5, 2021, the Company issued 75,000 common shares at a price of \$0.05 per common share in connection with a consulting agreement with the Company's Vice President – Exploration (Note 7).

c) Shares to be issued

On February 26, 2021, the Company completed a private placement for aggregate gross proceeds of \$3,436,000 (the "QT Financing"). Pursuant to the terms of the QT Financing, Infield issued 8,590,000 subscription receipts (the "Subscription Receipts") at a price of \$0.40 per Subscription Receipt. Immediately prior to the completion of the Acquisition (Note 9), each Subscription Receipt will be automatically exercised, for no further consideration and with no further action on the part of the holder thereof, to acquire one unit (an "Infield Unit") of Infield. The Infield Units issuable upon exercise of the Subscription Receipts at Acquisition closing will be exchanged for one common share (a "Resulting Issuer Share") and one common share purchase warrant of the issuer (a "Resulting Issuer Warrant") resulting from the Acquisition (the "Resulting Issuer"). Each Resulting Issuer Warrant will be exercisable to acquire one common share of the Resulting Issuer (a "Resulting Issuer Warrant Share") at a price of \$0.60 per share for a period of two years from closing of the Acquisition.

The agents will receive a cash commission equal to 7.0% of the gross proceeds of the brokered component of the QT Financing and (ii) 3.5% of the gross proceeds for person's set out on the president's list, and shall be granted agents' warrants, exercisable to acquire, within two years of the closing of the Acquisition, such number of Resulting Issuer Shares as is equal to: (i) 7.0% of the number of Subscription Receipts sold pursuant to the brokered component of the QT Financing; and (ii) 3.5% of the number of Subscription Receipts sold to person's set out on the president's list, at an exercise price of \$0.40 per share.

The gross proceeds of the QT Financing (less \$107,135 (50% of the agents' cash commission) and \$86,852 (all of the agents' expenses)) were deposited in escrow on closing of the QT Financing pending closing of the Acquisition.

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6. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity (deficiency) and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

On August 5, 2020 the Company entered into a consulting agreement with its Vice President – Exploration, pursuant to which he is to be paid \$40,000 via the issuance of 800,000 common shares of the Company as follows: 200,000 common shares (issued at a price of \$0.05 per common share (Note 5) and capitalized to exploration and evaluation assets) on the effective date of the consulting agreement; and 600,000 common shares (75,000 of which were issued on each of November 5, 2020, February 5, 2021 (Note 5) and May 5, 2021 (Note 9) at a price of \$0.05 per common share and capitalized to exploration and evaluations assets, and the balance (375,000 common shares) to be issued quarterly (75,000 common shares per quarter) commencing August 5, 2021).

During the three months ended March 31, 2021, the Company incurred consulting fees of \$45,000 (2020 - \$Nil) to the CEO and director and VP of Exploration of the Company.

As at March 31, 2021, there was an aggregate of \$Nil (December 31, 2020: \$16,354) due to the CEO and director, and the VP Exploration, of the Company.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 described below.

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8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Level 1 – quoted prices (unadjusted) 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 (unobservable inputs)

Cash is classified as fair value through profit or loss. Accounts payable and accrued liabilities and due to related parties are classified as amortized cost. The fair value of these financial instruments approximate their carrying values due to their short-term nature, which is the amount recorded on the statement of financial position.

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. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 6.

All the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at March 31, 2021, certain of the Company's cash and accounts payable and accrued liabilities are denominated in US dollars. The balances are subject to foreign exchange fluctuation. A 1% change in the foreign exchange rate would not have a material impact on profit or loss.

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(Unaudited – Prepared by Management)

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8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's sensitivity to interest rates is considered insignificant.

Price risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

9. SUBSEQUENT EVENTS

On April 13, 2021, Infield completed non-brokered private placement financing (the "Second Tranche Financing") and issued 962,500 Subscription Receipts for aggregate gross proceeds of \$385,000. The gross proceeds of the Second Tranche Financing (less a \$7,000 cash commission) were deposited in escrow on closing of the Second Tranche Financing pending closing of the Acquisition (as defined below). Upon closing of the Acquisition, finders to the Second Tranche Financing were issued 17,500 finders' warrants, exercisable to acquire, within two years of the closing of the Acquisition, Resulting Issuer shares at an exercise price of \$0.40 per share.

On May 5, 2021, the Company issued 75,000 common shares in connection with a consulting agreement with the Company's Vice President – Exploration (Note 7).

On June 4, 2021, pursuant to a definitive amalgamation agreement dated December 4, 2020, and as amended on January 20, 2021 (the "Amalgamation Agreement"), the Company was acquired (the "Acquisition") by ECC Ventures 2 Corp. ("ECC2"), a capital pool company listed on the TSX Venture Exchange (the "Exchange"). The Acquisition of the Company by ECC2 constituted a reverse take-over and ECC2's Qualifying Transaction under Policy 2.4 of the Exchange.

The Acquisition was completed by way of an amalgamation pursuant to which, inter alia, (i) ECC2 completed a share consolidation on a 2.25 to 1 basis (the "Consolidation"), and (ii) shareholders of Infield were issued an aggregate of 35,606,477 post-Consolidation common shares of ECC2 as consideration in exchange for their shares of Infield.

On completion of the Acquisition, the previously issued 9,552,500 subscription receipts (8,590,000 from the QT Financing and 962,500 from the Second Tranche Financing), (collectively, the "QT Financings") each converted into one unit of the Company for no additional consideration. Each unit consists of one share and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional share at a price of 60 cents per share until June 4, 2023. In connection with the QT Financings, the company paid fees of \$231,770 and issued 535,675 agents' warrants and 17,500 finders' warrants to brokers and finders who introduced subscribers to the QT Financings. Each

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9. SUBSEQUENT EVENTS (continued)

agent and finder warrant are exercisable into one share at a price of 40 cents per share until June 4, 2023.

Following closing of the Acquisition, the Company had a total of 47,758,981 shares issued and outstanding, including an aggregate of 13,478,142 common shares, which are subject to escrow and will be released over 36 months from closing. An additional 23,175,002 shares are subject to additional resale restrictions. A total of 13,612,500 pooled shares are subject to the provision of a value escrow agreement, with 10 per cent released on closing and 15 per cent every six months thereafter, and a total of 9,562,502 pooled shares are subject to four-month pooling, with 20 per cent released on closing and 20 per cent monthly thereafter. Shares issuable to the Company's VP – Exploration (Note 7) and to MExN (Note 4) will be subject to the exchange ratio (2.25 resulting issuer shares for each 1 Infield privco share) upon issuance.

On June 4, 2021, the Company granted 2.5 million stock options to directors, officers and consultants of the Company, exercisable at 40 cents per share for a period of five years.

On June 10, 2021, the Company granted 400,000 stock options to certain directors and a consultant of the Company, exercisable at 40 cents per share for a period of five years.