

YORKTON VENTURES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

Three Month Period Ended

September 30, 2020

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

The Company's independent auditor has not performed a review of these condensed interim financial statements. The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

YORKTON VENTURES INC.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	September 30,	June 30,
	2020	2020
	(\$)	(\$)
ASSETS		
Current assets		
Cash	885,874	691,446
GST receivable	10,182	10,024
Prepays	80,117	3,579
Interest receivable (Note 4)	33,196	30,171
Loans receivable (Note 4)	150,000	150,000
	1,159,369	885,220
Exploration and evaluation assets (Note 5)	105,136	-
	1,264,505	885,220
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	10,975	17,441
Shareholders' equity		
Share capital (Note 6)	1,920,241	1,524,566
Share-based reserves	303,499	303,099
Deficit	(970,210)	(959,886)
	1,253,530	867,779
	1,264,505	885,220

Nature of operations and continuance of business (Note 1)**Subsequent events (Note 12)**

On behalf of the Board of Directors:

"Nick Watters" Director"Andrew Smith" Director*The accompanying notes are an integral part of these financial statements.*

YORKTON VENTURES INC.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended September 30, 2020	Three Month Period Ended September 30, 2019
	(\$)	(\$)
EXPENSES		
General and administrative	2,437	1,802
Management fees (Note 9)	-	3,000
Professional and consulting fees	12,000	750
Loss from operations	(14,437)	(5,552)
Interest income	4,113	3,025
Loss and comprehensive loss for the period	(10,324)	(2,527)
Basic and diluted loss per common share	(0.00)	(0.00)
Weighted average common shares outstanding	18,163,043	12,000,000

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

YORKTON VENTURES INC.

Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Amount (\$)	Share-based Reserves (\$)	Deficit (\$)	Total Shareholders' Equity (\$)
Balance at June 30, 2019	12,000,000	1,524,566	303,099	(758,401)	1,069,264
Loss for the period	-	-	-	(2,527)	(2,527)
Balance at September 30, 2019	12,000,000	1,524,566	303,099	(760,928)	1,066,737
Loss for the period	-	-	-	(198,958)	(198,958)
Balance at June 30, 2020	12,000,000	1,524,566	303,099	(959,886)	867,779
Common shares issued - private placement	8,100,000	395,675	400	-	396,075
Loss for the period	-	-	-	(10,324)	(10,324)
Balance at September 30, 2020	20,100,000	1,920,241	303,499	(970,210)	1,253,530

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

YORKTON VENTURES INC.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended September 30, 2020 (\$)	Three Month Period Ended September 30, 2019 (\$)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	(10,324)	(2,527)
Changes in non-cash working capital items:		
GST receivable	(158)	(216)
Prepays	(76,538)	(3,950)
Interest receivable	(3,025)	(3,024)
Accounts payable and accrued liabilities	(6,466)	4,400
Cash used in operating activities	(96,511)	(5,317)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(105,136)	-
Cash used in investing activities	(105,136)	-
FINANCING ACTIVITIES		
Proceeds from issuance of common shares, net of costs	396,075	-
Cash provided by financing activities	396,075	-
Change in cash during the period	194,428	(5,317)
Cash, beginning of period	691,446	906,164
Cash, end of period	885,874	900,847

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Yorkton Ventures Inc. ("the Company") was incorporated on August 30, 2006 under the Business Corporations Act of British Columbia as Brookbank Mining Corp., and changed its name to Yorkton Ventures Inc. on October 9, 2009. The Company has historically been engaged in the acquisition, exploration, and development of prospective oil and gas properties. The Company intends to work to identify and evaluate other properties and exploration programs and/or other business models and opportunities. The Company's head office is located at 6012 - 85 Avenue, Edmonton, AB, T6B 0J5, Canada.

These financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business. As at September 30, 2020, the Company had an accumulated deficit of \$970,210 since inception. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company currently has sufficient resources to funds its operations for more than a year.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and therefore should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2020, prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved by the Board of Directors of the Company on November 30, 2020.

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

2. BASIS OF PRESENTATION (continued)

Use of Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other facts and circumstances. Actual results could differ from these estimates.

The significant assumption about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relates to, but is not limited to, the following:

Deferred income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. Deferred tax assets, including those arising from tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. The Company has adequately provided for all income tax obligations; however, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for deferred income taxes.

There were no significant judgments made by management for the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at June 30, 2020.

4. LOANS RECEIVABLE

- a) On June 27, 2016, the Company entered into a promissory note receivable agreement for \$75,000 with an unrelated company. The loan receivable bears interest at 6% per annum, is unsecured, and is due on demand. During the three month period ended September 30, 2020, the Company recorded \$1,134 (2019 - \$1,134) in interest income.
- b) On February 8, 2017, the Company entered into a promissory note receivable agreement for \$75,000 with an unrelated company. The loan receivable bears interest at 10% per annum, is unsecured, and is due on demand. During the three month period ended September 30, 2020, the Company recorded \$1,890 (2019 - \$1,890) in interest income.

5. EXPLORATION AND EVALUATION ASSETS

On July 3, 2020, the Company entered into an agreement with Delta Resources Limited (“Delta”) to acquire a 100% interest in the Bellechase-Timmins mineral property (the “Property”) located in Quebec, Canada.

To acquire the 100% interest, the Company is to pay a total of \$1,700,000 as follows:

- \$100,000 within ten days of signing the agreement (paid);
- \$250,000 on or before October 15, 2020 (paid);
- \$350,000 on or before February 2, 2021;
- \$450,000 on or before June 1, 2021; and
- \$550,000 on or before September 1, 2021.

In addition, Delta retains a 1% net smelter return (“NSR”) royalty. The Company can purchase half of the NSR in exchange for \$1,000,000.

During the three month period ended September 30, 2020, the Company incurred \$5,136 (2019 - \$Nil) in exploration expenditures.

On September 29, 2020, the Company entered into an option agreement with Royal Gold Mining Inc. (“Royal”) where Royal has the right to earn up to a 70% interest in the Bellechase-Timmins property.

To earn a 35% interest, Royal is to issue 1,000,000 common shares, issue a promissory note payable for \$100,000, make the \$250,000 payment due on October 15, 2020 and \$350,000 payment due on February 2, 2021 to Delta, and incur exploration expenditures of \$200,000 by September 29, 2021. The promissory note bears interest at 10% per annum (15% after default) and is payable in two equal payments of \$50,000 plus interest on the first and second anniversary dates.

Royal must give written notice to the Company if it is going to earn an additional 35% interest within thirty days of earning the initial 35% interest. To earn the additional 35% interest, the Company is to make the \$450,000 payment due on June 1, 2021 and \$550,000 payment due on September 1, 2021 to Delta, and incur a further \$250,000 in exploration expenditures by September 29, 2023. This agreement is subject to Exchange approval which has not yet been obtained

6. SHARE CAPITAL

a) Authorized share capital

Unlimited common shares without par value.

b) Issued share capital

Three Month Period Ended September 30, 2020

On July 23, 2020, the Company completed a non-brokered private placement wherein it issued 8,100,000 units at \$0.05 per unit for gross proceeds of \$405,000. Each unit consists of a common share and a share purchase warrant which entitles the holder to acquire an additional common share at \$0.075 for the first 12 months, \$0.10 for the subsequent 12 months and \$0.12 for the final 12 months. The value of the warrants was determined to be \$Nil using the residual value method.

YORKTON VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
THREE MONTH PERIOD ENDED SEPTEMBER 30, 2020

6. SHARE CAPITAL (continued)

The Company paid fees in connection with the placement consisting of \$6,400 in cash and 320,000 finders' warrants. The finders' warrants are exercisable at \$0.35 for the first 6 months and \$0.50 in the remaining 6 months. The value of the finders' warrants was determined to be \$400.

Year ended June 30, 2020

There was no share capital activity.

c) Stock options

On April 30, 2010, the Company implemented a stock option plan pursuant to which stock options may be granted to directors, officers, employees and consultants of the Company. The Company may grant stock options to a maximum of 10% of the issued shares of the Company at the date of granting the stock options. The minimum exercise price of each stock option must not be less than the discounted market price (as permissible by TSX Venture Exchange Policy). Stock options are exercisable over periods up to ten years and vesting periods can be imposed at the discretion by the Board of Directors.

There were no stock options issued or outstanding during the three month period ended September 30, 2020 or the year ended June 30, 2020.

d) Share purchase warrants

The continuity of the Company's warrants is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, June 30, 2020 and 2019	-	-
Granted	8,420,000	0.09
Balance, September 30, 2020	8,420,000	0.09

A summary of the Company's warrants as at September 30, 2020 is as follows:

Expiry Date	Number of Warrants	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (yrs)
July 23, 2021*	320,000	0.35	0.81
July 23, 2023**	8,100,000	0.075	2.81
	8,420,000	0.09	2.73

* The exercise price increases to \$0.50 on January 23, 2021.

** The exercise price increases to \$0.10 on July 23, 2021 and to \$0.12 on July 23, 2022.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial 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:

- 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.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, interest receivable, loans receivable and accounts payable and accrued liabilities.

The fair value of cash is measured using level one of the fair value hierarchy. The fair value of interest receivable, loans receivable and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments. The Company manages credit risk for cash by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist of goods and services tax due from the Canada Revenue Agency. The Company does not believe it has a material exposure to credit risk.

Liquidity risk

The Company seeks to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. As at the balance sheet date, the Company had sufficient cash to meet its current obligations and was not exposed to significant liquidity risk.

Interest rate risk

The Company's exposure to interest rate risk relates to its ability to earn short-term interest on cash balances at variable rates. The Company does not have any variable interest rate liabilities.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Currency risk

The Company is not exposed to significant foreign currency risk.

Commodity price risk

The Company is not significantly exposed to price risk with respect to commodity and equity prices. 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

8. MANAGEMENT OF CAPITAL

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended September 30, 2020.

9. RELATED PARTY TRANSACTIONS

Key management personnel include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and certain directors and officers and companies controlled or significantly influenced by them.

During the three month period ended September 30, 2020, the Company incurred management fees of \$Nil (2019 - \$3,000) to a company controlled by the former President of the Company.

10. SEGMENTED INFORMATION

The Company operates in one business segment, being the acquisition and exploration of mineral exploration and evaluation assets in Canada.

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the three month period ended September 30, 2020, the Company issued 320,000 (2019 - Nil) finder's warrants valued at \$400 (2019 - \$Nil) in connection with a non-brokered private placement.

12. SUBSEQUENT EVENTS

Subsequent to September 30, 2020, the Company:

- a) paid \$250,000 in cash in accordance with the Bellechase property option agreement.
- b) entered into an amending agreement with Royal with regards to the option agreement on the Bellechase property. Pursuant to the revised terms, Royal can acquire up to a 70% interest in the property. To earn the initial 35% Royal must:
 - i. issue a \$350,000 promissory note to the Company which is due on or before October 2, 2022 and bears interest at 10% per annum;
 - ii. issue 1,000,000 common shares of Royal to the Company; and
 - iii. incur \$200,000 in exploration expenditures on the property prior to October 2, 2021.

To earn the additional 35% interest (for a total of 70%) Royal must:

- i. prior to April 15, 2021 issue a \$350,000 promissory note to the Company that bears interest at 10% per annum and matures two years from the date of issuance;
 - ii. issue 500,000 common shares of Royal to the Company; and
 - iii. incur \$250,000 in exploration expenditures on the property prior to October 2, 2023.
- c) received \$75,000 for the repayment of the note receivable described in Note 4(a) plus the outstanding accrued interest.