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**WESTERN TROY CAPITAL RESOURCES INC.  
CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
THREE AND NINE MONTHS ENDED  
AUGUST 31, 2020  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of Western Troy Capital Resources Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

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**Western Troy Capital Resources Inc.****Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian dollars)****(Unaudited)**

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	<b>As at August 31, 2020</b>	<b>As at November 30, 2019</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 421,908	\$ 351
Amounts receivable and other assets (note 3)	27,640	25,471
<b>Total assets</b>	<b>\$ 449,548</b>	<b>\$ 25,822</b>
<b>EQUITY (DEFICIENCY) AND LIABILITIES</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (notes 10)	\$ 93,048	\$ 47,978
<b>Total liabilities</b>	<b>93,048</b>	<b>47,978</b>
<b>Equity (Deficiency)</b>		
Share capital (note 4)	12,461,488	12,317,720
Obligation to issue shares (note 4)	-	20,060
Reserves (notes 5 and 7)	456,217	94,032
Accumulated deficit	(12,561,205)	(12,453,968)
<b>Total equity (deficiency)</b>	<b>356,500</b>	<b>(22,156)</b>
<b>Total equity (deficiency) and liabilities</b>	<b>\$ 449,548</b>	<b>\$ 25,822</b>

Nature of operations and going concern (note 1)

Contingencies and commitments (note 11)

**Approved on behalf of the Board:**

"Rex Loesby", Director \_\_\_\_\_

"Stephen Dunn", Director \_\_\_\_\_

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

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**Western Troy Capital Resources Inc.****Condensed Interim Consolidated Statements of Profit (Loss) and Comprehensive Profit (Loss)****(Expressed in Canadian dollars)****(Unaudited)**

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	Three Months Ended August 31,		Nine Months Ended August 31,	
	2020	2019	2020	2019
<b>Operating expenses</b>				
General and administrative (note 9)	\$ 57,125	\$ 10,300	\$ 135,370	\$ 112,246
<b>Total operating expenses</b>	<b>(57,125)</b>	<b>(10,300)</b>	<b>(135,370)</b>	<b>(112,246)</b>
Other income	-	20,291	-	20,291
Foreign exchange gain (loss)	(920)	932	78	1,722
Flow-through indemnification reversal	-	-	-	138,533
<b>Net (loss) profit and comprehensive (loss) profit for the period</b>	<b>\$ (58,045)</b>	<b>\$ 10,923</b>	<b>\$ (135,292)</b>	<b>\$ 48,300</b>
<b>Net (loss) profit per share</b>				
- basic and diluted (note 8)	\$ (0.02)	\$ 0.00	\$ (0.04)	\$ 0.02
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>3,393,730</b>	<b>2,727,576</b>	<b>3,755,390</b>	<b>2,727,576</b>

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The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

**Western Troy Capital Resources Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

	<b>Nine Months Ended August 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Net profit (loss) for the period	\$ (135,292)	\$ 48,300
Adjustments for:		
Foreign exchange	65	-
Changes in non-cash working capital items:		
Amounts receivable and other assets	(1,053)	9,916
Amounts payable and other liabilities	66,389	(107,168)
<b>Net cash used in operating activities</b>	<b>(69,891)</b>	<b>(48,952)</b>
<b>Financing activities</b>		
Shares issued	500,000	-
Share issue costs	(8,552)	-
<b>Net cash provided by financing activities</b>	<b>491,448</b>	<b>-</b>
<b>Net change in cash</b>	<b>421,557</b>	<b>(48,952)</b>
<b>Cash, beginning of period</b>	<b>351</b>	<b>58,878</b>
<b>Cash, end of period</b>	<b>\$ 421,908</b>	<b>\$ 9,926</b>
<b>Supplemental disclosure</b>		
Shares issued for settlement of debt (note 4)	\$ 42,560	\$ -

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## Western Troy Capital Resources Inc.

### Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)

(Expressed in Canadian dollars)

(Unaudited)

	Share capital	Obligation to issue shares	Reserves				Accumulated deficit	Total
			Equity settled share-based payments reserve	Warrant reserve	Special warrants			
<b>Balance, November 30, 2019</b>	<b>\$ 12,317,720</b>	<b>\$ 20,060</b>	<b>\$ 65,977</b>	<b>\$ 28,055</b>	<b>\$ -</b>	<b>\$(12,453,968)</b>	<b>\$ (22,156)</b>	
Common shares issued for debt settlement (note 4)	42,560	(20,060)	-	-	-	-	22,500	
Special warrants issuance(note 7)	-	-	-	-	500,000	-	500,000	
Special warrant issue costs (note 5)	-	-	-	-	(8,552)	-	(8,552)	
Conversion of special warrants (note 5)	102,970	-	-	397,030	(500,000)	-	-	
Share issue costs (note 5)	(1,762)	-	-	(6,790)	8,552	-	-	
Warrants expired (note 7)	-	-	-	(28,055)	-	28,055	-	
Net loss for the period	-	-	-	-	-	(135,292)	(135,292)	
<b>Balance, August 31, 2020</b>	<b>\$ 12,461,488</b>	<b>\$ -</b>	<b>\$ 65,977</b>	<b>\$ 390,240</b>	<b>\$ -</b>	<b>\$(12,561,205)</b>	<b>\$ 356,500</b>	
<b>Balance, November 30, 2018</b>	<b>\$ 12,317,720</b>	<b>\$ -</b>	<b>\$ 65,977</b>	<b>\$ 28,055</b>	<b>\$ -</b>	<b>\$(12,507,792)</b>	<b>\$ (96,040)</b>	
Net profit for the period	-	-	-	-	-	48,300	48,300	
<b>Balance, August 31, 2019</b>	<b>\$ 12,317,720</b>	<b>\$ -</b>	<b>\$ 65,977</b>	<b>\$ 28,055</b>	<b>\$ -</b>	<b>\$(12,459,492)</b>	<b>\$ (47,740)</b>	

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

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# Western Troy Capital Resources Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian dollars)

(Unaudited)

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### 1. Nature of operations and going concern

Western Troy Capital Resources Inc. (the "Company" or "Western Troy") was incorporated under the laws of the Province of Ontario, Canada, by Articles of Incorporation dated November 8, 1989. The Company pursues interests in business opportunities in, primarily in the resource sector, but will consider opportunities outside that sector. The primary office of the Company is located at The Canadian Venture Building, 82 Richmond St. East, Suite 200, Toronto, Ontario, Canada, M5C 1P1.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company has incurred losses in the prior periods, with a loss of \$135,292 for the nine months ended August 31, 2020 (nine months ended August 31, 2019 - profit of \$48,300), and as at August 31, 2020 has an accumulated deficit of \$12,561,205 (November 30, 2019 - \$12,453,968) and working capital of \$356,500 (November 30, 2019 - working capital deficiency - \$22,156).

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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. Based on current projections and operating plans, the Company may be required to raise additional funds through equity financing. There is, however, no assurance that any such initiatives will be successful and, as a result, there exists material uncertainty casting significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

On August 25, 2020, the Company completed a share consolidation of 1 post share to 3 pre share basis. Unless otherwise stated, the number of shares presented in these consolidated financial statements have been retroactively restated to reflect the share consolidation.

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## Western Troy Capital Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian dollars)

(Unaudited)

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## 2. Significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual consolidated financial statements required by IFRS as issued by the IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of October 28, 2020. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended November 30, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending November 30, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

### New accounting standards and interpretations adopted

#### *Lease and right-of-use assets*

The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. The application of the new standard has no impact on the unaudited condensed interim consolidated financial statements.

#### *IFRIC Interpretation 23 Uncertainty over Income Tax Treatments*

The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation became applicable for annual periods beginning on or after January 1, 2019. At December 1, 2019, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

### Future accounting pronouncements

#### *IFRS 3, Business Combinations ("IFRS 3")*

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020.

## Western Troy Capital Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian dollars)

(Unaudited)

## 2. Significant accounting policies (continued)

*IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")*

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively.

## 3. Amounts receivable and other assets

	As at August 31, 2020	As at November 30, 2019
Sales tax receivable - (Canada)	\$ 8,077	\$ 5,686
Other amounts receivable (i)	19,563	19,785
	<b>\$ 27,640</b>	<b>\$ 25,471</b>

- (i) On February 20, 2019, the Company and Cultivation Technologies, Inc. ("CTI") entered into a Letter of Intent ("LOI"), to complete an arm's length Reverse Takeover ("RTO") Transaction.

On August 29, 2019, CTI and the Company agreed to terminate the LOI with CTI agreeing to pay a break-up fee of \$40,076 (US\$30,000). As of August 31, 2020, the balance of the termination fee outstanding is \$19,563 (US\$15,000) (November 30, 2019 - \$19,785 (US\$15,000)).

## 4. Share capital

- a) Authorized share capital

Unlimited number of common shares, no par value

Unlimited number of Class A shares, no par value

- b) Shares issued

As at August 31, 2020, the issued share capital amounted to \$12,461,488.

	Number of common shares	Amount
<b>Balance, November 30, 2018, August 31, 2019, and November 30, 2019</b>	<b>2,727,576</b>	<b>\$ 12,317,720</b>
Common shares issued for debt settlement (i) (ii)	484,336	42,560
Conversion of special warrants (note 6)	8,333,326	500,000
Warrants (iii)	-	(390,240)
Share and warrant issue costs	-	(8,552)
<b>Balance, August 31, 2020</b>	<b>11,545,238</b>	<b>\$ 12,461,488</b>

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## Western Troy Capital Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian dollars)

(Unaudited)

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#### 4. Share capital (continued)

##### b) Shares issued (continued)

- (i) On November 30, 2019, the Company entered into debt settlement agreements whereby the vendors, including related party, agreed to settle accounts payable of \$50,150 with 334,336 Common shares of the Company with fair value of \$20,060. These shares were issued and recorded on January 14, 2020.
- (ii) On December 2, 2019, the Company entered into debt settlement agreements with certain related parties to settle accounts payable of \$22,500 with 150,000 Common shares of the Company. These shares were issued and recorded on January 14, 2020.
- (ii) On August 25, 2020, as a result of the conversion of special warrants, the Company issued 8,333,326 common shares and 8,333,326 warrants. The warrants were valued at \$388,000 net of share issuance costs which is determined by using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.45%, a dividend yield of 0%, an expected volatility of 171.90% and an expected life of approximately 9 months.

##### c) Obligation to issue shares

On November 30, 2019, the Company entered into debt settlement agreements whereby the vendors, including related party, agreed to settle accounts payable of \$50,150 with 334,336 Common shares of the Company with fair value of \$20,060. As of November 30, 2019, these shares have not been issued and recorded as an obligation to issue shares. During the year ended November 30, 2019, the Company recorded a gain on settlement of debt of \$30,090. On January 14, 2020 these shares were issued to the vendors.

#### 5. Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price (\$)	Grant date fair value of warrants (\$)
<b>Balance, November 30, 2018, August 31, 2019, and November 30, 2019</b>	<b>66,667</b>	<b>0.75</b>	<b>28,055</b>
Expired (i)	(66,667)	(0.75)	(28,055)
Granted (note 4(b)(ii))	8,333,326	0.15	390,240
<b>Balance, August 31, 2020</b>	<b>8,333,326</b>	<b>0.15</b>	<b>390,240</b>

- (i) On December 9, 2019, 66,667 warrants with an exercise price of \$0.75 expired unexercised.

The following table reflects the warrants issued and outstanding as of August 31, 2020:

Number of warrants outstanding	Exercise price (\$)	Expiry date
8,333,326	0.15	July 3, 2021

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## Western Troy Capital Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian dollars)

(Unaudited)

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#### 6. Special warrants

On July 10, 2020 the Company closed its non-brokered private placement of 8,333,326 special warrants ("Special Warrants") for 6 cents per special warrant for gross proceeds of \$500,000, in connection with the offering the Company recognized \$8,552 of issuance costs. The Special Warrants were automatically exchanged for units upon approval of the share consolidation at the shareholders meeting, held on August 4, 2020, and final approval from the NEX which was granted on August 25, 2020. Each unit consisted of one common share and one warrant which is exercisable at 15 cents per share until July 3, 2021. Insiders of the Company subscribed to 599,998 special warrants.

#### 7. Stock options

Under the Company's stock option plan (the "Plan"), the directors of the Company can grant options to acquire common shares of the Company to qualified directors, officers, employees and persons providing ongoing services to the Company. The stock options are non-transferable and have no maximum term of grant. The exercise price of the stock options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant. The aggregate number of common shares reserved for issuance under this plan is limited to 10% of the aggregate number of common shares of the Company that are issued and outstanding.

The following table reflects the continuity of stock options:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, November 30, 2018 and August 31, 2019</b>	<b>133,333</b>	<b>0.75</b>
<b>Balance, November 30, 2019 and August 31, 2020</b>	<b>133,333</b>	<b>0.75</b>

The following table reflects the stock options issued and outstanding as of August 31, 2020:

Expiry date	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
December 18, 2022	0.75	2.30	133,333	133,333

#### 8. Profit (loss) per common share

The calculation of basic and diluted loss per share for the three and nine months ended August 31, 2020 was based on the loss attributable to common shareholders of \$0.02 and \$0.04, respectively (three and nine months ended August 31, 2019 - profit of \$0.00 and \$0.02, respectively) and the weighted average number of common shares outstanding of 3,393,730 and 3,755,390, respectively (three and nine months ended August 31, 2019 - 2,727,576 and 2,727,576, respectively). When determining the diluted earnings per share as of August 31, 2020, the effect of the exercise of stock options and warrants was excluded because the predetermined target market price thresholds were not met.

## Western Troy Capital Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian dollars)

(Unaudited)

#### 9. General and administrative

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2020	2019	2020	2019
Management and consulting fees (note 10)	\$ 6,000	\$ 12,009	\$ 18,000	\$ 36,323
Shareholder relations	24,680	808	38,574	27,774
Accounting and corporate	5,940	5,922	20,430	16,814
Professional fees	20,186	(19,053)	57,945	6,291
Office, travel and general	319	7,464	421	15,594
Directors' fees (note 10)	-	3,150	-	9,450
	\$ 57,125	\$ 10,300	\$ 135,370	\$ 112,246

#### 10. Related party balances and transactions

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

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into the following transactions with related parties and key management personnel:

- (i) During the three and nine months ended August 31, 2020, the Company expensed consulting fees of \$nil, (three and nine months ended August 31, 2019 - \$12,179 and \$24,947, respectively) to a corporation controlled by a director of the Company.
- (ii) During the three and nine months ended August 31, 2020, the Company expensed consulting fees of \$6,000 and \$18,000, respectively, (three and nine months ended August 31, 2019 - \$nil) to a corporation controlled by a Chief Executive Officer, Interim Chief Financial Officer, and director of the Company.
- (iii) During the three and nine months ended August 31, 2020, the Company expensed directors fees totaling \$nil, (three and nine months ended August 31, 2019 - \$3,150 and \$9,450, respectively) to directors and companies controlled by the directors of the Company.
- (iv) See Note 4(b)(ii).
- (v) See Note 6.

#### 11. Contingencies and commitments

##### Flow-through and other tax matters

During 2015, the Company received the results of an audit by the Canada Revenue Agency ("CRA") related to its 2011 flow-through forms filed. The reassessment resulted in certain expenditures being denied by the CRA and a liability of Part XII.6 tax and interest. During the year ended November 30, 2019, CRA and the Company settled the balance of \$48,130 in full.

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## **Western Troy Capital Resources Inc.**

**Notes to Condensed Interim Consolidated Financial Statements**

**Three and Nine Months Ended August 31, 2020**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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### **11. Contingencies and commitments (continued)**

#### **Flow-through and other tax matters (continued)**

In addition, as a consequence of the denied expenditures, the Company reimbursed certain investors for income taxes owing as a result of the reduced tax deduction by the investors. On July 5, 2017, the Company paid \$300,000 to an investor so that the investor could pay his potential lost tax benefit to CRA. Due to the settlement with CRA, the Company received a refund of \$nil (nine months ended August 31, 2019 - \$138,533) from the investor during the nine months ended August 31, 2020.