
**WESTERN TROY CAPITAL RESOURCES INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2020 AND 2019
(EXPRESSED IN CANADIAN DOLLARS)**



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Western Troy Capital Resources Inc.

Opinion

We have audited the consolidated financial statements of Western Troy Capital Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2020 and 2019, and the consolidated statements of profit (loss) and comprehensive profit (loss), changes in equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

March 30, 2021



An independent firm
associated with Moore
Global Network Limited

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

	As at November 30, 2020	As at November 30, 2019
ASSETS		
Current assets		
Cash	\$ 362,761	\$ 351
Marketable securities (note 6)	91,945	-
Amounts receivable and other assets (note 3)	3,906	25,471
Total assets	\$ 458,612	\$ 25,822
EQUITY (DEFICIENCY) AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (notes 13)	\$ 30,102	\$ 47,978
Total liabilities	30,102	47,978
Equity (Deficiency)		
Share capital (note 7)	12,642,902	12,317,720
Obligation to issue shares (note 7)	-	20,060
Reserves (notes 8 and 10)	270,802	94,032
Accumulated deficit	(12,485,194)	(12,453,968)
Total equity (deficiency)	428,510	(22,156)
Total equity (deficiency) and liabilities	\$ 458,612	\$ 25,822

Nature of operations and going concern (note 1)
Contingencies and commitments (note 15)
Subsequent events (note 16)

Approved on behalf of the Board:

"Rex Loesby", Director _____

"Stephen Dunn", Director _____

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

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

	Year Ended November 30,	
	2020	2019
Operating expenses		
General and administrative (note 12)	\$ 159,623	\$ 156,598
Total operating expenses	(159,623)	(156,598)
Break up fee	-	40,076
Foreign exchange gain (loss)	2,845	1,723
Gain on settlement of debt (note 7)	-	30,090
Flow-through indemnification reversal (note 15)	-	138,533
Write-off of receivables (note 3)	(19,448)	-
Gain on sale of joint venture interest (note 6)	72,806	-
Unrealized gain on marketable securities (note 6)	44,139	-
Net (loss) profit and comprehensive (loss) profit for the year	\$ (59,281)	\$ 53,824
Net (loss) profit per share		
- basic and diluted (note 11)	\$ (0.01)	\$ 0.02
Weighted average number of common shares outstanding - basic and diluted	5,368,225	2,727,665

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

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

	Year Ended November 30,	
	2020	2019
Operating activities		
Net profit (loss) for the year	\$ (59,281)	\$ 53,824
Adjustments for:		
Unrealized gain on marketable securities	(44,139)	-
Gain on sale of joint venture interest	(72,806)	-
Gain on settlement of debt (note 7)	-	(30,090)
Write-off of receivables	19,448	-
Foreign exchange	337	-
Changes in non-cash working capital items:		
Amounts receivable and other assets	1,780	(14,496)
Amounts payable and other liabilities	4,624	(67,765)
Net cash used in operating activities	(150,037)	(58,527)
Investing activities		
Sale of joint venture interest	25,000	-
Net cash provided by investing activities	25,000	-
Financing activities		
Shares issued	500,000	-
Share issue costs	(12,553)	-
Net cash provided by financing activities	487,447	-
Net change in cash	362,410	(58,527)
Cash, beginning of year	351	58,878
Cash, end of year	\$ 362,761	\$ 351
Supplemental disclosure		
Shares issued for settlement of debt (note 7)	\$ 42,560	\$ -
Securities acquired upon sale of joint venture interest	\$ 47,806	\$ -

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

Western Troy Capital Resources Inc.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars)

	Share capital	Obligation to issue shares	Reserves				Total
			Equity settled share-based payments reserve	Warrant reserve	Special warrants	Accumulated deficit	
Balance, November 30, 2018	\$ 12,317,720	\$ -	\$ 65,977	\$ 28,055	\$ -	\$(12,507,792)	\$ (96,040)
Common shares issued for debt settlement (note 7)	-	20,060	-	-	-	-	20,060
Net profit for the year	-	-	-	-	-	53,824	53,824
Balance, November 30, 2019	\$ 12,317,720	\$ 20,060	\$ 65,977	\$ 28,055	\$ -	\$(12,453,968)	\$ (22,156)
Common shares issued for debt settlement (note 7)	42,560	(20,060)	-	-	-	-	22,500
Special warrants issuance (note 10)	-	-	-	-	500,000	-	500,000
Special warrant issue costs (note 8)	-	-	-	-	(12,553)	-	(12,553)
Conversion of special warrants (note 8)	289,900	-	-	210,100	(500,000)	-	-
Share issue costs (note 8)	(7,278)	-	-	(5,275)	12,553	-	-
Warrants expired (note 10)	-	-	-	(28,055)	-	28,055	-
Net loss for the year	-	-	-	-	-	(59,281)	(59,281)
Balance, November 30, 2020	\$ 12,642,902	\$ -	\$ 65,977	\$ 204,825	\$ -	\$(12,485,194)	\$ 428,510

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

Western Troy Capital Resources Inc.

Notes to Consolidated Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

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 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 \$59,281 for the year ended November 30, 2020 and as at November 30, 2020 has an accumulated deficit of \$12,485,194 and working capital of \$428,510.

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 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.

Western Troy Capital Resources Inc.

Notes to Consolidated Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

2. Significant accounting policies

(a) Basis of preparation

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 consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which are carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements reflect the following accounting policies which have been consistently applied to all periods presented, except as described below.

These consolidated financial statements were reviewed and authorized for issue by the Board of Directors on March 30, 2021.

(b) Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Canadian Remote Power Corporation and Western Troy Mining Company. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated on consolidation.

(c) Functional and reporting currency

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot rate at the date of the initial transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

(d) Financial instruments

The following table shows the classification of the Company's financial instruments:

Classification	IFRS 9
Cash	FVTPL
Accounts receivable and other assets	Amortized cost
Marketable securities	FVTPL
Accounts payable and other liabilities	Amortized cost

Western Troy Capital Resources Inc.

Notes to Consolidated Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

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.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable, due to shareholder, and convertible debentures are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

Western Troy Capital Resources Inc.

Notes to Consolidated Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

Financial liabilities (continued)

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(e) Marketable securities

Marketable securities present investments in publicly traded common shares. Marketable securities are carried at fair value based on quoted market prices.

(f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The Company consists of a single CGU as defined in IAS 36 - Impairment of Assets. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(g) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred on mineral properties. Exploration and evaluation expenditures include acquisition costs of mineral exploration properties, property option payments and evaluation activities.

Once a project has been established as commercially viable, technically feasible and financially viable, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(h) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Western Troy Capital Resources Inc.

Notes to Consolidated Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(i) Share-based payment transactions

The fair value of share options granted is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. The fair value of the options issued to employees and others providing similar services is determined by using the Black-Scholes option pricing model. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and consultants of the Company. The fair value of the options issued to non-employees is determined by the fair value of the goods or services received. If the fair value of the goods or services received cannot be reliably measured, then the Black-Scholes option pricing model is used.

The fair value of the options measured using the Black-Scholes option pricing model takes into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Share-based compensation incorporates an expected forfeiture rate. Amounts recorded for expired unexercised stock options and warrants are transferred to deficit. Forfeited options are reversed to stock-based payments if the estimated forfeiture is different from actual.

(j) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs are discounted to their net present value and are provided for, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at November 30, 2020 and November 30, 2019.

(k) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in consolidated statements of profit (loss) except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Western Troy Capital Resources Inc.

Notes to Consolidated Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(k) Income taxes (continued)

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

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

(l) Earnings per share

The Company presents basic and diluted profit per share data for its common shares, calculated by dividing the profit attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted profit per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The Company's diluted loss income per share does not include the effect of stock options and warrants for the periods presented as they are anti-dilutive.

(m) Significant accounting judgments and estimates

The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the reported amounts of assets, liabilities and expenses, and the related disclosure of assets and liabilities included in the Company's consolidated financial statements. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of its consolidated financial statements.

- The recoverability of amounts receivable that are included in the consolidated statements of financial position;
- Valuation of marketable security - the fair value of marketable securities common shares are determined using share price at the reporting period end. The fair value of marketable securities warrants are calculated using estimated fair value using the Black-Scholes option pricing model, which may not reflect the actual value on exercise. The Company uses publicly available rates, where available, as inputs into the model including volatility assumptions.
- Valuation of share-based compensation - when options and warrants are issued by the Company, it calculates their estimated fair value using the Black-Scholes option pricing model, which may not reflect the actual value on exercise. The Company uses publicly available rates, where available, as inputs into the model including volatility assumptions. The Company recognizes the fair value of these options on the consolidated statements of loss when vesting occurs.
- The Company assumes no material restoration, rehabilitation and environmental provisions based on facts and circumstances that existed as of each reporting period. The Company must review this assumption in accordance with exploration results, existing laws, contracts and other policies. A material restoration obligation involves a number of estimates relating to timing, type of costs and associated contract negotiations, and a review of potential methods and technical advancements.

Western Troy Capital Resources Inc.

Notes to Consolidated Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(m) Significant accounting judgments and estimates (continued)

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

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. At December 1, 2019, the Company adopted this standard and there was no impact on the consolidated financial statements, as the Company did not have any leases.

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 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.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

IAS 1 and IAS 8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Western Troy Capital Resources Inc.

Notes to Consolidated Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) (continued)

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 November 30, 2020	As at November 30, 2019
Sales tax receivable - (Canada)	\$ 3,906	\$ 5,686
Other amounts receivable (i)	-	19,785
	\$ 3,906	\$ 25,471

- (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). During the year ended November 30, 2020, the Company wrote off the receivable balance of \$19,448 (US \$15,000). As of November 30, 2020, the balance of the termination fee outstanding is (November 30, 2019 - \$19,785) (note 16). The difference of \$337 is due the change in exchange rates.

4. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. As discussed in note 1, the Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity (deficiency), which comprises share capital, reserves and accumulated deficit which at totaled at November 30, 2020 equity of \$428,510 (2019 - deficiency of \$22,156).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company.

There were no changes in the Company's approach to capital management during the years ended November 30, 2020 and 2019.

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5. Financial instruments and risk management

Fair value measurement of financial assets and liabilities

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

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

Level 2 – Inputs other than quoted prices included within level 1 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 fair values of cash, marketable security common shares are determined using level one of the fair value hierarchy. The carrying value of accounts receivables, and accounts payables and other liabilities approximate their fair value due to their short-term nature.

The fair values of marketable security warrants are determined using level two of the fair value hierarchy.

Risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including equity price risk and foreign currency risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. The maximum exposure to the credit risk is equal to the carrying value of such financial assets. At November 30, 2020 and 2019, the Company expects to recover the full amount of such assets.

The objective of managing counterparty credit risk is to minimize potential losses in financial assets. The Company assesses the quality of its counterparties, taking into account their credit worthiness and reputation, past performance and other factors. Cash is only deposited with or held by major financial institutions where the Company conducts its business. The Company's accounts receivables are due from government agencies and a third party which the Company believes them to be of sound credit worthiness.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities and interest income earned on its cash. As at November 30, 2020, the Company had cash and portfolio investments of \$454,706 (2019 - \$351) to settle current liabilities of \$30,102 (2019 - \$47,978). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in note 1, the Company's ability to continually 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.

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5. Financial instruments and risk management (continued)

(iii) Market risk

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

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its financial institutions.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is exposed to limited foreign currency risk with respect to the expenditures incurred by its US subsidiary.

(c) Equity price risk

The Company is exposed to price risk with respect to 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.

6. Marketable securities

	Amount	November 30, 2020	November 30, 2019
Common shares	666,666	\$ 63,333	\$ -
Warrants	333,333	28,612	-
		\$ 91,945	\$ -

On November 3, 2020 the Company sold its remaining 36% participating interest in the Schefferville Gold (Ashuanipi Gold Property) Joint Venture (the "Joint Venture") for \$25,000 in cash, 666,666 common shares, and 333,333 warrants of IC Capitalight Corp. The Company's accounting policy is to expense exploration expenditures, and the Company has not had any expenditures on the property since fiscal 2013. During the year ended November 30, 2020, the Company recorded an unrealized gain on marketable securities of \$44,139 and a gain on sale of the joint venture interest of \$72,806 of which \$47,806 related to the fair value of the marketable securities upon acquisition. The fair value of the warrants at November 30, 2020 were determined by using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.25%, a dividend yield of 0%, an expected volatility of 231.60%, exercise price of \$0.08 and an expected life of 1.92 years.

7. Share capital

a) Authorized share capital

Unlimited number of common shares, no par value
Unlimited number of Class A shares, no par value

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7. Share capital (continued)

b) Shares issued

As at November 30, 2020, the issued share capital amounted to \$12,642,902 (2019 - \$12,317,720).

	Number of common shares	Amount
Balance, November 30, 2018, and November 30, 2019	2,727,576	\$ 12,317,720
Common shares issued for debt settlement (i)(ii)	484,336	42,560
Conversion of special warrants (note 9)	8,333,326	500,000
Warrants (iii)	-	(204,825)
Share and warrant issue costs	-	(12,553)
Balance, November 30, 2020	11,545,238	\$ 12,642,902

- (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.
- (iii) 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 \$204,825 net of share issuance costs which is determined by using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.26%, a dividend yield of 0%, an expected volatility of 169.83%, exercise price of \$0.15 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.

8. Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price (\$)	Grant date fair value of warrants (\$)
Balance, November 30, 2018, and November 30, 2019	66,667	0.75	28,055
Forfeited (i)	(66,667)	(0.75)	(28,055)
Granted (note 7(b)(ii))	8,333,326	0.15	204,825
Balance, November 30, 2020	8,333,326	0.15	204,825

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

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8. Warrants (continued)

The following table reflects the warrants issued and outstanding as of November 30, 2020:

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

9. 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 \$12,553 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.

10. 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 (\$)
Balance, November 30, 2018 and November 30, 2019	133,333	0.75
Cancelled	(53,333)	0.75
Balance, November 30, 2020	80,000	0.75

The following table reflects the stock options issued and outstanding as of November 30, 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	2.05	80,000	80,000

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11. Profit (loss) per common share

The calculation of basic and diluted loss per share for the year ended November 30, 2020 was based on the loss attributable to common shareholders of \$0.01 (November 30, 2019 - profit of \$0.02) and the weighted average number of common shares outstanding of 5,368,225 (November 30, 2019 - 2,727,665). When determining the diluted earnings per share as of November 30, 2020, the effect of the exercise of stock options and warrants was excluded because the predetermined target market price thresholds were not met.

12. General and administrative

	Year Ended November 30,	
	2020	2019
Management and consulting fees (note 13)	\$ 25,600	\$ 40,179
Shareholder relations	40,210	29,182
Accounting and corporate	26,407	22,622
Professional fees	66,917	43,995
Office, travel and general	489	17,470
Directors' fees (note 13)	-	3,150
	\$ 159,623	\$ 156,598

13. 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 year ended November 30, 2020, the Company expensed consulting fees of \$3,400 (November 30, 2019 - \$40,179) to a corporation controlled by a director of the Company.
- (ii) During the year ended November 30, 2020, the Company expensed consulting fees of \$24,000 (November 30, 2019 - \$nil) to a corporation controlled by a Chief Executive Officer, Interim Chief Financial Officer, and director of the Company. As at November 30, 2020, the Company had a balance owing of \$12,000 (November 30, 2019 - \$nil).
- (iii) During the year ended November 30, 2020, the Company expensed directors fees totaling \$nil (November 30, 2019 - \$3,150) to directors and companies controlled by the directors of the Company.
- (iv) See Note 7(b)(ii).
- (v) See Note 9.

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14. Income Taxes

(a) A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

November 30,	2020	2019
(Profit (loss)) income before income taxes	\$ (59,281)	\$ 53,824
Expected income tax (recovery) based at statutory rate	\$ (16,006)	\$ 14,532
Adjustments to benefit resulting from:		
Non-deductible expenses	32	-
Share issue costs	(3,389)	-
Adjustment to prior years provision versus statutory tax returns	(18,223)	-
Other	(96,596)	1,708
Change in unrecognized tax assets	134,182	(16,240)
	\$ -	\$ -

(b) The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2020	2019
Deferred Tax Assets		
Allowable capital losses	\$ 160,514	\$ 56,406
Non-capital loss carry-forwards	571,133	549,615
Exploration and evaluation assets	2,007,025	2,024,662
Share issue costs	3,610	1,795
Property and equipment	42,000	17,621
	2,784,282	2,650,099
Unrecognized deferred tax assets	(2,784,282)	(2,650,099)
Net deferred tax assets	\$ -	\$ -

(c) The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

Range	2020	Expiry Date Range	2019	Expiry Date
Temporary Differences				
Exploration and evaluation assets	\$ 7,433,428	No expiry date	\$ 7,672,427	No expiry date
Non-capital losses available for future period - Canada	\$ 2,115,000	2032 to 2038	\$ 2,045,731	2032 to 2038
Non-capital losses available for future period - US	\$ 13,012	2035 to 2038	\$ 13,012	2035 to 2038

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15. 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.

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. During the year ended November 30, 2020, due to the settlement with CRA, the Company received a refund of \$nil (November 30, 2019 - \$138,533) from the investor.

16. Subsequent events

In January 2021, the Company received 60,000 common shares of CTI to settle the outstanding debt of \$15,000 USD related to the terminated LOI.