

**ORCUS RESOURCES LTD.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**

**SEPTEMBER 30, 2021**

**(UNAUDITED)**

(The accompanying condensed interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim financial statements)

**ORCUS RESOURCES LTD.**  
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION  
(Expressed in Canadian Dollars)  
(Unaudited)  
AS AT

	September 30, 2021	March 31, 2021
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 58,653	\$ 94,643
Receivables	2,818	350
Prepaid expenses and deposits (Note 4)	<u>21,801</u>	<u>1,801</u>
	<u>\$ 83,272</u>	<u>\$ 96,794</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 16,610</u>	<u>\$ 7,000</u>
	16,610	7,000
<b>Shareholders' equity</b>		
Share capital (Note 5)	125,000	105,000
Reserves (Note 5c)	9,391	-
Deficit	<u>(67,729)</u>	<u>(15,206)</u>
	<u>66,662</u>	<u>89,794</u>
	<u>\$ 83,272</u>	<u>\$ 96,794</u>

**Nature and continuance of operations** (Note 1)

**Subsequent events** (Note 9)

**Approved and authorized for issue by the Board of Directors on November 29, 2021:**

\_\_\_\_\_  
*“Deepak Varshney”* CEO  
Deepak Varshney

\_\_\_\_\_  
*“Navin Varshney”* Director  
Navin Varshney

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

**ORCUS RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)  
(Unaudited)

	Three months ended September 30, 2021	Incorporation to September 30, 2020	Six months ended September 30, 2021	Incorporation to September 30, 2020
<b>EXPENSES</b>				
Office and miscellaneous	\$ 104	\$ -	\$ 204	\$ -
Professional fees	1,875	-	18,598	-
Regulatory and filing fees	11,640	-	24,330	-
Share-based payments (Note 5c)	-	-	9,391	-
	<u>13,619</u>	<u>-</u>	<u>52,523</u>	<u>-</u>
<b>Loss and comprehensive loss for the period</b>	<b>\$ 13,619</b>	<b>\$ -</b>	<b>\$ 52,523</b>	<b>\$ -</b>
<b>Basic and diluted loss per common share</b>	<b>\$ 0.01</b>	<b>\$ -</b>	<b>\$ 0.02</b>	<b>\$ -</b>
<b>Weighted average number of common shares outstanding</b>	<b>2,389,130</b>	<b>1</b>	<b>2,268,852</b>	<b>1</b>

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**ORCUS RESOURCES LTD.**  
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
(Expressed in Canadian Dollars)  
(Unaudited)

	Share Capital (Note 5)		Reserves	Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance at Incorporation	1	\$ -	\$ -	\$ -	\$ -
Balance, September 30, 2020	1	\$ -	\$ -	\$ -	\$ -
Balance, March 31, 2021	2,100,000	\$ 105,000	\$ -	\$ (15,206)	\$ 89,794
Private placement (Note 5b)	400,000	20,000	-	-	20,000
Reserves (Note 5c)	-	-	9,391	-	9,391
Loss and comprehensive loss for the period	-	-	-	(52,523)	(52,523)
Balance, September 30, 2021	2,500,000	\$ 125,000	\$ 9,391	\$ (67,729)	\$ 66,662

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**ORCUS RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited)

	Six months ended September 30, 2021	Incorporation to September 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss and comprehensive loss for the period	\$ (52,523)	\$ -
Adjustments for non-cash items:		
Share based payments	\$ 9,391	
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(2,468)	
(Increase) decrease in prepaid expenses and deposits	(20,000)	-
Increase in accounts payable and accruals	9,610	-
Net cash used in operating activities	<u>(55,990)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash used in investing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share capital	<u>20,000</u>	<u>-</u>
Net cash provided (used) in financing activities	<u>20,000</u>	<u>-</u>
<b>Increase (decrease) in cash for the period</b>	<b>(35,990)</b>	<b>-</b>
<b>Cash, beginning of period</b>	<u>94,643</u>	<u>-</u>
<b>Cash, end of period</b>	<b>\$ 58,653</b>	<b>\$ -</b>
<b>Cash paid during the period for interest</b>	<u>-</u>	<u>-</u>
<b>Cash paid during the period for income taxes</b>	<u>-</u>	<u>-</u>

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

**ORCUS RESOURCES LTD.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021  
(Expressed in Canadian Dollars)  
(Unaudited)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Orcus Resources Ltd. (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* on September 28, 2020. The Company was classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4 on October 5, 2021. The Company will not carry on any business other than the identification and evaluation of assets or a business with a view to completing a Qualifying Transaction which will be subject to receipt of shareholder approval and acceptance by regulatory authorities.

The Company's head office address is 400-725 Granville Street, Vancouver, British Columbia, Canada, V3Y 1G5. The registered and records office address is 400-725 Granville Street, Vancouver, British Columbia, Canada, V3Y 1G5.

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

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The unaudited condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These conditions indicate the existence of a material uncertainty that may cast significant doubt of the Company's ability to continue as a going concern.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business and obtain the necessary financing to do so, within 24 months of listing on the TSX-V. Any acquisition or investment proposed by the Company will be subject to regulatory and other approvals.

In March 2020 the World Health Organization declared the COVID-19 illness, caused by the novel coronavirus, to be 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. Currently, the global pandemic has not had a significant effect on the Company's operations. Management continues to monitor the situation.

**2. BASIS OF PREPARATION**

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The unaudited condensed interim financial statements should be read in conjunction with the annual financial statements for the period from incorporation to March 31, 2021, which have been prepared in accordance with IFRS as issued by IASB. The accounting policies adopted are consistent with those of the previous financial year, except for recent accounting pronouncements as described in Note 3 below. The Board of Directors approved the unaudited condensed interim financial statements on November 29, 2021.

**3. RECENT ACCOUNTING PRONOUNCEMENTS**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee.

During the period ended September 30, 2021, the Company was not required to, and has not adopted any new standards, interpretations, amendments and improvements to existing standards which had a material impact on the

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Company's condensed interim financial statements. The Company also does not expect the adoption of any currently announced new standards, interpretations, amendments and improvements to existing standards to have a material impact on the Company's condensed interim financial statements.

**4. PREPAID EXPENSES AND DEPOSITS**

	<b>September 30, 2021</b>
	<b>\$</b>
Retainer	11,801
Prepaid expenses	10,000
	<b>21,801</b>

**5. SHARE CAPITAL AND RESERVES**

**a) Authorized:**

Unlimited common shares with no par value.

**b) Issued:**

During the period from incorporation to March 31, 2021, the Company issued 2,100,000 common shares for proceeds of \$105,000. These common shares are held in escrow under an escrow agreement. The common shares will be released from escrow on the date of the final Qualifying Transaction bulletin under the following terms: 25% to be released on the date the Transaction bulletin is issued, and 25% to be released every six months thereafter.

During the six-months ended September 30, 2021, 400,000 common shares were subscribed to and issued at \$0.05 per share for proceeds of \$20,000 by directors and officers of the Company. These common shares will be held in escrow under an escrow agreement and will be released from escrow on the date of the final Qualifying Transaction bulletin under the following terms: 25% to be released on the date the Transaction bulletin is issued, and 25% to be released every six months thereafter.

**c) Stock options:**

The Company has established a stock option plan for its officers, directors, consultants and employees to which the Issuer may grant options to acquire a maximum number of Common Shares equal to 10% of the total issued and outstanding Common Shares of the Issuer.

During the six-months ended September 30, 2021, the Company granted 210,000 incentive stock options to directors and officers (subject to regulatory approval) at an exercise price of \$0.05 per Common Share with a fair value of \$9,391 using the Black-Scholes option pricing model assuming a life expectancy of ten years, a risk-free interest rate of 1.49%, a forfeiture rate of nil, and volatility of 100%. The Company expensed \$9,391 as share-based compensation for stock options.

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Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2021	-	\$ -
Stock options granted	<u>210,000</u>	<u>0.05</u>
Outstanding, September 30, 2021	<u>210,000</u>	<u>\$ 0.05</u>

The following stock options were outstanding at June 30, 2021:

	Number of options outstanding	Exercise Price	Expiry Date	Remaining contractual life (years)
Stock options	210,000	\$ 0.05	May 7, 2031	9.61

## 6. FINANCIAL INSTRUMENTS

### Fair value

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.

Cash is carried at fair value using a level 1 fair value measurement. The recorded values of goods and services tax receivable, and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

### Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

#### *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by placing its cash with a major financial institution. Management feels that the Company's credit risk with respect to cash is remote. The Company's goods and services tax receivable consists of input tax credits receivable from the Government of Canada. Accordingly, the Company does not believe it is subject to significant credit risk.

#### *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

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*Liquidity risk*

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

*Foreign currency risk*

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at September 30, 2021, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk to be insignificant.

*Price risk*

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. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

**7. RELATED PARTY TRANSACTIONS**

During the six-months ended September 30, 2021, accounts payable included \$10,500 owed to a director of the Company for operating expenses paid on behalf of the Company.

**8. CAPITAL MANAGEMENT**

Capital is comprised of all the components of the Company's shareholders' equity. As at September 30, 2021, the Company's shareholders' equity was \$66,662 and there was no long-term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that the Company cannot spend more than the \$3,000 per month on allowable general and administrative (G&A) expenses until the completion of a Qualifying Transaction for purposes other than to identify and evaluate assets or businesses and obtain shareholder approval for a proposed Qualifying Transaction if necessary. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. The Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes in the Company's approach to capital management during the period ended September 30, 2021.

**9. SUBSEQUENT EVENT**

Subsequent to the period ended September 30, 2021:

- The Company completed its initial public offering (the "Offering") and issued 4,000,000 common shares (the "Shares"), representing the maximum number of Shares issuable pursuant to the Offering, for gross proceeds of \$400,000. The Agent received a cash commission of 10% of the gross proceeds of the Offering and 400,000 Agent's Options at a price of \$0.10 per share exercisable for 5 years.
- The Company's common shares were listed on the TSX-V on October 5, 2021 and immediately halted pending closing of the Offering. The common shares commenced trading on the TSX-V on October 7, 2021 under the trading symbol "ORCS.P".

**ORCUS RESOURCES LTD.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

(Expressed in Canadian Dollars)

(Unaudited)

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- 265,000 stock options were granted to the directors and officers of the Company to acquire shares of the Company at an exercise price of \$0.10 per Share which may be exercised for a period of 10 years from the date of grant.
  - 130,000 stock options were granted to a technical consultant of the Company on October 20, 2021 to acquire shares of the Company at an exercise price of \$0.15 per Share which may be exercised for a period of 2 years from the date of grant.
  - The Company entered into a letter of intent on November 1, 2021, with Western Metallica Corp. (“Western Metallica”) to complete a business combination by way of a share exchange (the “Transaction”). The Transaction is expected to constitute Orcus’s Qualifying Transaction under the CPC Policy of the TSX Venture Exchange. Completion of the Transaction is subject to regulatory and shareholders approval and other pertinent conditions, and has not accrued as of the date of these unaudited condensed interim financial statements.
  - On November 23, 2021, the Company announced that Western Metallica closed a brokered private placement of subscription receipts in connection with the proposed Transaction by issuing 26,667,000 subscription receipts at a price of \$0.30 per subscription receipt for aggregate gross proceeds of \$8,000,100. Each subscription receipt will, upon the satisfaction or waiver of certain escrow release conditions, be automatically converted into one common share in the capital of Western Metallica and one-half of one common share purchase warrant of Western Metallica. Immediately following the issuance of the Western Metallica shares and Western Metallica warrants upon conversion of subscription receipts, each Western Metallica share will be exchanged for one common share of the issuer resulting from the Qualifying Transaction (the “Resulting Issuer”), and each Western Metallica warrant will be exchanged for one common share purchase warrant of the Resulting Issuer. Each Resulting Issuer warrant will be exercisable for one Resulting Issuer share at a price of \$0.45 per Resulting Issuer warrant share for a period of 24 months following the completion of the financing or earlier in the event that closing trading price of the Resulting Issuer shares is greater than \$0.75 for a period of 10 consecutive trading days on a recognized stock exchange.