

NAVY RESOURCES CORP.

Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by the entity's auditor.

NAVY RESOURCES CORP.Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars - Unaudited)

	September 30, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	\$ 741,080	\$ 1,163
Receivable	2,850	758
Total assets	\$ 743,930	\$ 1,921
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 35,184	\$ 105,076
Promissory note payable	-	115,000
Total liabilities	35,184	220,076
Shareholders' equity		
Share capital (Note 3)	1,989,932	1,006,852
Share-based payment reserve (Note 3)	135,817	135,817
Deficit	(1,417,003)	(1,360,824)
Total shareholders' equity	708,746	(218,155)
Total liabilities and shareholders' equity	\$ 743,930	\$ 1,921

Nature of and continuance of operations (Note 1)

Approved on behalf of the Board on November 28, 2019:

/s/ "Hani Zabaneh"

Hani Zabaneh, Director

/s/ "Martin Bajic"

Martin Bajic, Director

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

NAVY RESOURCES CORP.

Condensed Interim Statements of Comprehensive Loss

(Expressed in Canadian dollars - Unaudited)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
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Expenses				
General and administrative (Note 4)	\$ 4,654	\$ 9,132	\$ 21,664	\$ 23,151
Interest expense	1,243	1,300	6,260	3,800
Professional fees	3,953	1,147	6,851	5,824
Consulting fees (Note 4)	1,500	1,500	4,500	5,500
Transfer agent and filing fees	7,683	1,973	16,904	8,289
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Net and comprehensive loss	\$ 19,033	\$ 15,052	\$ 56,179	\$ 46,564
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Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
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Weighted average number of shares outstanding – basic and diluted	16,482,278	15,200,000	15,630,546	15,200,000
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NAVY RESOURCES CORP.

Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars - Unaudited)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity
	Number	Amount			
Balance, December 31, 2017	15,200,000	\$ 1,006,852	\$ 135,817	\$ (1,247,235)	\$ (104,566)
Net and comprehensive loss for the period	-	-	-	(46,564)	(46,564)
Balance, September 30, 2018	15,200,000	\$ 1,006,852	\$ 135,817	\$ (1,293,799)	\$ (151,130)
Balance, December 31, 2018	15,200,000	\$ 1,006,852	\$ 135,817	\$ (1,360,824)	\$ (218,155)
Shares issued for cash	7,350,000	735,000	-	-	735,000
Shares issued for settlement of debt	2,480,800	248,080	-	-	248,080
Net and comprehensive loss for the period	-	-	-	(56,179)	(56,179)
Balance, September 30, 2019	25,030,800	\$ 1,989,932	\$ 135,817	\$ (1,419,003)	\$ 708,746

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

NAVY RESOURCES CORP.Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars - unaudited)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Cash provided by (used in):		
Operating activities		
Net loss	\$ (56,179)	\$ (46,564)
Changes in non-cash working capital items:		
Receivable	(2,092)	(1,672)
Prepaid expenses	-	(1,300)
Accounts payable and accrued liabilities	(54,812)	5,485
Net cash used in operating activities	(113,083)	(44,051)
Financing activities		
Proceeds from promissory note payable	118,000	15,000
Proceeds from issuance of common shares	735,000	-
Net cash from financing activity	853,000	15,000
Increase (decrease) in cash	739,917	(29,051)
Cash and cash equivalents, beginning	1,163	40,270
Cash and cash equivalents, ending	\$ 741,080	\$ 11,219

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

NAVY RESOURCES CORP.

Notes to Condensed Interim Financial Statements
For the nine months ended September 30, 2019
(Expressed in Canadian dollars - unaudited)

1. Nature and continuance of operations

Navy Resources Corp. (the "Company") was incorporated in the province of British Columbia on May 5, 2011. The Company is currently engaged in the exploration and evaluation of resource properties in British Columbia and Alberta. The Company's registered office is #1740-1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3. The Company's shares are traded on the TSX Venture Exchange under the symbol "NVY".

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2019, the Company has not generated any revenue and has incurred a loss since inception. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. Management intends to finance operating costs over the next twelve months with cash on hand and loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these financial statements should be read in conjunction with the Company's December 31, 2018 audited annual financial statements and the notes to such financial statements.

These financial statements are based on the IFRS issued and effective as of November 28, 2019, the date these financial statements were authorized for issuance by the Company's Board of Directors, and follow the same accounting policies and methods of computation as the most recent annual financial statements, except for the impact of the changes in accounting policies disclosed below:

New accounting standards and interpretation

The Company has adopted the following new accounting standard and interpretation:

IFRS 16, Leases (effective January 1, 2019) introduced new requirements for the classification and measurement of leases. Under IFRS 16, a lessee no longer classifies leases as operating or financing and records all leases on the condensed consolidated statement of financial position, unless the lease term is 12 months or less or the underlying asset has a low value. The Company has applied a modified retrospective transition approach. The Company does not have any leases, and as a result, this standard had no impact on the Company's financial statements on adoption.

IFRIC 23, Uncertainty over Income Tax Treatments (effective January 1, 2019) provides guidance when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates; and, the impact of changes in facts and circumstances. This interpretation did not have an impact on the Company's financial statements.

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3. Share capital

Authorized share capital:

Unlimited common shares without par value.

Issued and outstanding:

At September 30, 2019, there were 25,030,800 common shares issued and fully paid common shares outstanding (December 31, 2018 – 15,200,000).

On September 18, 2019, the Company issued 7,350,000 common shares for proceeds of \$735,000.

On September 18, 2019, the Company issued 2,480,080 common shares to settle promissory notes payable and interest in the amount of \$248,080

Options:

The Company does not have any options outstanding as at September 30, 2019.

Warrants:

The Company does not have any warrants outstanding as at September 30, 2019.

Reserves:

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

4. Related party transactions

During the three and nine months ended September 30, 2019 the Company paid an officer and director \$1,500 and \$4,500 (2018 - \$1,500 and \$5,500) for consulting services and \$4,500 and \$19,500 (2018 - \$9,000 and \$22,500) for rent.

Included in accounts payable is \$14,825 owing to Companies owned by an officer and director (December 31, 2018 - \$14,825).