

**ROJO
RESOURCES LTD.**

*(AN EXPLORATION STAGE COMPANY)
(Expressed in Canadian Dollars)*

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 3 MONTH PERIOD ENDED

OCTOBER 31, 2019 AND 2018

(unaudited)

Prepared by Management without Company's Auditors' Review

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Rojo Resources Corp. (formerly Lucky Strike Resources Ltd.) is prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the July 31, 2018 audited financial statements. Only changes in accounting policies have been disclosed in these unaudited interim financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim 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 interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ROJO RESOURCES LTD.

(An exploration stage company)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| As At | Notes | October 31, 2019 | July 31, 2019 |
|---|-------|---------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash | | \$ 106,833 | \$ 7,032 |
| GST receivable | | 11,009 | 7,740 |
| Marketable securities | | 6,750 | 7,500 |
| | | 124,592 | 22,271 |
| Non-current assets | | | |
| Marketable securities | | - | - |
| Property and equipment | 4 | 291 | 312 |
| | | 291 | 312 |
| TOTAL ASSETS | | \$ 124,883 | \$ 22,583 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payables and accrued liabilities | 8 | \$ 69,135 | \$ 48,181 |
| Due to related parties | | 56,136 | 28,928 |
| TOTAL LIABILITIES | | 125,271 | 77,109 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 5 | 11,703,828 | 11,603,828 |
| Share-based payment reserve | 5 | 2,852,713 | 2,852,713 |
| Deficit | | (14,556,929) | (14,511,067) |
| TOTAL EQUITY | | (388) | (54,526) |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | \$ 124,883 | \$ 22,583 |

Nature and continuance of operations (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Director: "Allen Morishita" Director:
CEO & Director

"Patricia Wilson"
CFO & Director

ROJO RESOURCES LTD.

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CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS AND DEFICIT

Three months ended October 31, 2019 and 2018

| | | Three Months Period Ended October 31, 2019 | Three Months Period Ended October 31, 2018 |
|---|-------|---|---|
| | Notes | | |
| Expenses | | | |
| Advertising | | \$ 300 | \$ 315 |
| Amortization | | 21 | 29 |
| Consulting fees | | - | 105 |
| Interest and bank charges | | 147 | 245 |
| Management fees | 6 | 18,000 | 18,000 |
| Office and miscellaneous | | 953 | 1,134 |
| Professional fees | | 23,791 | - |
| Shareholder information, transfer agent and filing fee 8 | | 1,900 | 1,832 |
| Travel and promotion | | - | - |
| | | 45,112 | 21,660 |
| Loss before other items | | (45,112) | (21,660) |
| Realized gain on sale of marketable securities | | - | 16,500 |
| Unrealized loss on marketable securities | | (750) | (19,500) |
| Net loss and comprehensive loss for the year | | (45,862) | (18,660) |
| Deficit, beginning of the year | | (14,511,067) | (14,336,881) |
| Deficit, end of the period | | \$ (14,511,067) | \$ (14,355,541) |
| Weighted average number of common shares outstanding | | 7,803,018 | 5,088,086 |
| Loss per share – basic and diluted | | \$ (0.01) | \$ (0.01) |

See accompanying notes to the consolidated financial statements

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ROJO RESOURCES LTD.*(An exploration stage company)***CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

| | Share capital | | Reserve | Deficit | Total |
|---|------------------|----------------------|-----------------------------|------------------------|------------------|
| | Number of shares | Amount | Share based payment reserve | | |
| Balance at August 1, 2019 | 7,198,086 | \$ 11,603,828 | \$ 2,852,713 | \$ (14,511,067) | \$ 54,526 |
| Add: Net and comprehensive loss | - | - | - | (45,862) | (45,862) |
| Non-brokered private placement at \$0.125 | 800,000 | 100,000 | - | - | 100,000 |
| Balance at October 31, 2019 | 7,998,086 | \$ 11,703,828 | \$ 2,852,713 | \$ (14,556,929) | \$ (388) |

| | Share capital | | Reserve | Deficit | Total |
|------------------------------------|------------------|---------------------|-----------------------------|------------------------|--------------------|
| | Number of shares | Amount | Share based payment reserve | | |
| Balance at August 1, 2018 | 5,088,086 | \$11,403,828 | \$ 2,852,713 | \$ (14,336,881) | \$ (80,340) |
| Add: Net and comprehensive loss | - | - | - | (20,160) | (18,660) |
| Balance at October 31, 2018 | 5,088,086 | \$11,403,828 | \$ 2,852,713 | \$ (14,357,041) | \$ (99,000) |

See accompanying notes to the consolidated financial statements

ROJO RESOURCES LTD.

(An exploration stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended October 31, 2019 and 2018

| | Three month periods ended | |
|--|---------------------------|---------------------|
| | October 31, 2019 | October 31, 2018 |
| Operating activities | | |
| Net loss and comprehensive loss for the year | \$ (45,862) | \$ (18,660) |
| Items not affecting cash: | | |
| Amortization | 21 | 29 |
| Unrealized gain on marketable securities | 750 | (19,500) |
| Realized loss on sale of marketable securities | - | 16,500 |
| | (45,091) | (21,631) |
| Changes in non-cash working capital items: | | |
| Accounts receivable | (3,269) | (121) |
| Accounts payables and accrued liabilities | 20,953 | 346 |
| Due to related parties | 27,208 | 19,743 |
| Net cash flows used in operating activities | (199) | (1,663) |
| Investing activities | | |
| Proceeds from sale of marketable securities | - | 8,250 |
| Deposit | - | - |
| Net cash flows used in investing activity | - | 8,250 |
| Financing activities | | |
| Proceeds on issuance of common shares | 100,000 | - |
| Share issue costs | - | - |
| Net cash flows from financing activities | 100,000 | - |
| Decrease in cash and cash equivalents | 99,801 | 6,587 |
| Cash and cash equivalents, beginning of year | 7,031 | 3,505 |
| Cash and cash equivalents, end of year | \$ 106,833 | \$ 10,093 |

ROJO RESOURCES LTD.

(An exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

1. Nature and continuance of operations

Rojo Resources Ltd. (the "Company") was primarily engaged in the acquisition, exploration and development of mineral properties of merit in Canada and worldwide with the aim of developing them to a point whereby they can be put into production or offered for joint venture whereby funding would be available for further development and exploration. The Company has not generated any revenues from its current operations and is considered to be in the exploration stage. The Company's common shares are traded on the TSX Venture Exchange under the trading symbol RJ and as of October 17, 2011, on the OTC International market under the symbol LKYS. The Company's head office and principal address is 1746 MacDonald Street, Vancouver, BC, Canada, V6K 3X8.

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue operations and will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete public financing, or generate profitable earnings in the future. Should the Company be unsuccessful in raising additional finance for ongoing operations, there would be substantial doubt about the ability of the Company to continue as a going concern. As at October 31, 2019 the Company has a working capital deficiency of \$679 (October 31, 2018: working capital deficiency of \$135,399) and has accumulated a deficit of \$14,556,929 (October 31, 2018: \$14,355,541) and continues to incur losses from operations.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new and alternative sources of financing but anticipates the current market conditions may impact the ability to source such funds.

2. Basis of preparation

Statement of compliance

The unaudited consolidated financial statements have been prepared in accordance with International Accounting Standard ("IFRS") issued by the International Accounting Standards Board ("IASB") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting"

The consolidated financial statements were authorized for issue on December 27, 2019 by the directors of the Company

ROJO RESOURCES LTD.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

2. Basis of preparation (cont'd)

Basis of presentations

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 10659070 Canada Inc. All material inter-company balances and transactions have been eliminated upon consolidation. These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

3. Summary of significant accounting policies

The consolidated financial statements are presented in Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

Significant accounting judgments, estimates and assumptions

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. The Company determined the Canadian dollar to be its functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- (iii) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.
- (iv) Although, the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- (v) The determination of the Company's ability to continue as a going concern.

Accounting Estimates and Assumptions

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
- (ii) Management estimates the fair values of share based payment arrangements using the Black - Scholes option pricing model. Details of these can be found in Note 7.

Other significant accounting estimates include valuation of accounts payable and accrued liabilities, useful life of property and equipment and valuation of marketable securities.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments, which are readily convertible into cash with maturities of three months or less when acquired. As at year-end, there are no cash equivalents.

Currency Translation

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Marketable Securities

Marketable securities include investments which are transitional or current in nature, with an original maturity greater than three months and less than one year.

Property and Equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provision.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item (major components) of property, plant and equipment.

Amortization is provided at various rates designed to amortize the assets over their estimated useful lives. The annual amortization rates are as follows:

| | | |
|------------------|-----|-----------------|
| Office furniture | 20% | declining basis |
| Computers | 30% | declining basis |

Additions during the year are amortized at one half the annual rate.

Exploration and Evaluation Assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Exploration and evaluation costs, including the costs of acquiring claims, are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mining interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. All impairment losses are recognized in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions and Asset Retirement Obligations

The Company recognizes the fair value of a legal or constructive liability for an asset retirement obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have significant asset retirement obligations.

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance its resource exploration activities. Canadian income tax law permits the Company to renounce to the flow-through shareholders the income tax attributes of resource exploration costs financed by such shares. Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amounts recognized in common shares and the amount the investor pays for the shares is recognized as flow-through share premium liability which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded prospectively upon renunciation of the related tax benefits, provided it is expected the Company will incur the required eligible expenditures.

When flow-through expenditures are renounced, a portion of the future income tax assets that were not previously recognized, due to the recording of a valuation allowance, are recognized as a recovery of deferred income taxes in the statements of net and comprehensive income (loss).

Financial instruments - recognition and measurement

The Company adopted all of the requirements of IFRS 9 Financial Instruments. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at June 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

| Financial assets/ liabilities | Original classification IAS 39 | New classification IFRS 9 |
|--|--------------------------------|---------------------------|
| Cash | FVTPL | FVTPL |
| GST receivable | Amortized cost | Amortized cost |
| Marketable securities | FVTPL | FVTPL |
| Accounts payable and accrued liabilities | Amortized cost | Amortized cost |
| Due to related party | Amortized cost | Amortized cost |

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on August 1, 2018.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

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.

Financial liabilities

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.

Share-based payment transactions

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of loss and comprehensive loss and deficit over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied.

The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of loss and comprehensive loss and deficit over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss and deficit, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries, and associates to the extent that *they will probably not* reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

Earnings (loss) per share

The Company presents basic and diluted earnings/loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. All of the outstanding and exercisable stock options and warrants were excluded for the calculation of diluted loss per share given their anti-dilutive impact on loss per share calculation.

Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transaction are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

ROJO RESOURCES LTD.

(An exploration stage company)

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

New Standards and amendments issued but not yet adopted

The following new or amended accounting standards have been issued by the IASB for periods beginning on or after June 1, 2019. These new or amended standards are not yet effective, and the Company determined their impact on its financial statements in the future to not be material.

(i) IFRS 16 Leases.

IFRS 16 replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019. Management has assessed that with adoption of this accounting standard starting June 1, 2019, the financial statements will not be impacted.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

ROJO RESOURCES LTD.

(An exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. PROPERTY, PLANT AND EQUIPMENT

| | Computer equipment | Office equipment | Total equipment |
|---------------------------------|--------------------|------------------|-----------------|
| | \$ | \$ | \$ |
| Cost | | | |
| Balance as at July 31, 2016 | 828 | 682 | 1,510 |
| Additions during the year | - | - | - |
| Balance as at July 31, 2017 | 828 | 682 | 1,510 |
| Additions during the year | - | - | - |
| Balance as at July 31, 2018 | 828 | 682 | 1,510 |
| Additions during the period | - | - | - |
| Balance as at July 31, 2019 | 828 | 682 | 1,510 |
| Additions during the year | - | - | - |
| Balance as at October 31, 2019 | 828 | 682 | 1,510 |
| Accumulated depreciation | | | |
| Balance as at July 31, 2016 | 125 | 481 | 606 |
| Depreciation for the period | 211 | 40 | 253 |
| Balance as at July 31, 2017 | 335 | 521 | 856 |
| Depreciation for the period | 185 | 40 | 225 |
| Balance as at July 31, 2018 | 520 | 561 | 1,081 |
| Depreciation for the period | 92 | 24 | 87 |
| Balance as at July 31, 2019 | 612 | 585 | 1,197 |
| Depreciation for the period | 16 | 5 | 21 |
| Balance as at October 31, 2019 | 628 | 590 | 1,218 |
| Net book value | | | |
| At July 31, 2016 | 703 | 201 | 904 |
| At July 31, 2017 | 493 | 161 | 654 |
| At July 31, 2018 | 308 | 121 | 429 |
| At July 31, 2019 | 216 | 96 | 312 |
| At October 31, 2019 | 200 | 92 | 291 |

5. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares without par value
- b) Share issuance details are as follows:

During the year ended July 31, 2019

- i. On April 2, 2019, a total of 2,000,000 units were sold through a brokered private placement at a price of \$0.10 for gross proceeds of \$200,000. Each unit consisted of one common share and one full warrant. Each whole warrant will be exercisable to acquire one common share at an exercise price of \$0.15 at any time for a period of one year from the date of issuance. The warrants are exercisable immediately. The Company issued 100,000 broker units consisting of one common share and one full warrant as share issue cost. Each warrant will be exercisable to acquire one common share at an exercise price of \$0.15 at any time for a period of one year from the date of issuance. The warrants are exercisable immediately.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

5. SHARE CAPITAL (Cont'd)

During the year ended July 31, 2018

- i. On March 20, 2018, warrant holders exercised the rights to purchase 50,000 shares of the Company at an exercise price of \$0.50 per share pursuant to a cash exercise whereby the Company recorded proceeds of \$25,000.
 - ii. On March 28, 2018, warrant holders exercised the right to purchase 118,000 shares of the Company at an exercise price of \$0.50 per share pursuant to a cash exercise whereby the Company recorded proceeds of \$59,000.
 - iii. On April 13, 2018, warrant holders exercised the right to purchase 30,000 shares of the Company at an exercise price of \$0.50 per share pursuant to a cash exercise whereby the Company recorded proceeds of \$15,000.
- c) Stock options outstanding

Under the Company's stock option plan, incentive stock options to purchase shares from the Company are granted by the Company's board of directors to directors, officers, employees and consultants of the Company in accordance with the policies of the TSX Venture Exchange ("TMX"). The maximum number of common shares issuable for all purposes under the Plan cannot exceed 20% of the issued and outstanding common shares of the Company as at the date of shareholder approval. Options granted must be exercised no later than five years from the date of grant or any such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the TMX on the last trading day preceding the grant date or the minimum price as per the TMX. Any Options issued to an investor relation consultant optionee must vest in stages over at least a twelve month period with no more than 25% of such Options vesting in any three month period.

During the quarter ended October 31, 2019 and the year ended July 31, 2019 and 2018, the Company did not issue any stock options and all the outstanding stock options were cancelled during the prior year..

A summary of the changes in the Company's stock options is presented below:

| | Number of Outstanding options | Weighted Average Exercised Price |
|--|----------------------------------|--|
| Balance – July 31, 2017 – outstanding & exercisable | 12,500 | 4.40 |
| Granted | - | - |
| Cancelled | (12,500) | - |
| Expired | - | - |
| Balance – July 31, 2018 – outstanding & exercisable | - | - |
| Granted | - | - |
| Expired | - | - |
| Balance - July 31, 2019 – outstanding & exercisable | - | - |
| Granted | - | - |
| Expired | - | - |
| Balance - October 31, 2019 – outstanding & exercisable | - | - |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

5. SHARE CAPITAL (Cont'd)

d) Share purchase warrants:

During the quarter ended October 31, 2019

No warrants were issued during the quarter.

As of October 31, 2019, the following warrants were outstanding:

| Expiry Date | Outstanding | Exercise Price |
|--------------|-------------|----------------|
| April-2-2020 | 2,100,000 | \$ 0.15 |

During the year ended July 31, 2019

On March 18, 2019, the Company granted 2,100,000 warrants in connection with a private placement. Each warrant is exercisable into one common share at \$0.15 for a period of one year. The fair value of \$10,000 of broker units issued was charged to the share issue costs. No value was allocated to the warrants attached with the units.

As of July 31, 2019, the following warrants were outstanding:

| Expiry Date | Outstanding | Exercise Price |
|--------------|-------------|----------------|
| April-2-2020 | 2,100,000 | \$ 0.15 |

A summary of the changes in the Company's stock warrants is presented below:

| | Number of Outstanding Warrants | Weighted Average Exercised Price |
|----------------------------|--------------------------------|----------------------------------|
| Balance – July 31, 2017 | 1,080,200 | 0.50 |
| Granted | - | - |
| Exercised | (198,000) | 0.50 |
| Expired | (882,200) | - |
| Balance – July 31, 2018 | - | 0.00 |
| Granted | 2,100,000 | 0.15 |
| Exercised | - | - |
| Expired | - | 0.15 |
| Balance – July 31, 2019 | 2,100,000 | 0.15 |
| Granted | - | - |
| Exercised | - | - |
| Expired | - | - |
| Balance – October 31, 2019 | 2,100,000 | 0.15 |

* If the Company's shares trade at \$2.80 or greater for a period of fifteen consecutive trading days, the Company may, upon notice to the warrant holders, shorten the exercise period to 30 days from the date of notice.

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6. RELATED PARTY TRANSACTIONS

The Company's related parties consist of individuals who are executive officers and/or directors of the Company, or directly related to a director of the Company, as follows:

| Name | Nature of transaction |
|-------------------------------------|--------------------------------|
| Larry Timlick, Director | Management and consulting fees |
| Allen Morishita, Chairman, Director | Management and consulting fees |
| Patricia Wilson, CFO, Director | Management and consulting fees |
| John Adams, Director | Management and consulting fees |

The Company incurred the following fees and expenses in connection with compensation of individuals who are key management and directors. Administration and exploration expenditures were paid to a private company controlled by a common director:

| | Three Month ended October 31, 2019 | Three Month ended October 31, 2018 |
|------------------------|--|--|
| Included in operations | | |
| Management fees | \$ 18,000 | \$ 18,000 |

These transactions are in the normal course of operations.

During the current fiscal quarter October 31, 2019, the Company owed \$56,136 (2018 - \$35,533) to related parties. These balances due to related parties are unsecured, non-interest bearing and due on demand.

7. INCOME TAXES

The income taxes shown in the statements of loss and comprehensive loss and deficit differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

The net loss for accounting purposes differs from the taxable income as follows:

| | Three month ended October 31, 2019 | Year ended July 31, 2019 |
|----------------------------------|---------------------------------------|-----------------------------|
| Income before income taxes | \$ (45,862) | \$ (174,186) |
| Statutory tax rate | 27.00% | 27.00% |
| Expected income tax recovery | \$ (12,383) | \$ (47,030) |
| Non-deductible differences | 203 | 3,698 |
| Other temporary differences | 6 | 229 |
| Share issuance cost | (1,539) | (2,839) |
| Change in statutory tax rate | - | - |
| Deferred income tax not recorded | 11,051 | 45,942 |
| Income tax expense | \$ - | \$ - |

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Three months ended October 31, 2019 and 2018

7. INCOME TAXES (cont'd)

The significant components of the Company's deferred income tax assets and liabilities as at October 31, 2019 and July 31, 2019 are as follows:

| | October 31, 2019 | July 31, 2019 |
|--|---------------------|------------------|
| Deferred tax asset | | |
| Non-capital losses | \$ 1,720,780 | \$ 1,738,860 |
| Property and equipment with tax values in excess of book values | 351 | 1,326 |
| Resource property costs with tax values in excess of book values, excluding renounced amounts | 861,026 | 861,026 |
| Share issuance costs | (20,554) | (172,791) |
| Total deferred income tax asset | 2,561,603 | 2,428,421 |
| Deferred tax liability related to resource expenditures renounced | - | - |
| Net deferred income tax asset | 2,561,603 | 2,428,421 |
| Valuation allowance | (2,561,603) | (2,428,421) |
| Deferred income tax asset | \$ - | \$ - |

As at July 31, 2019, the Company has non-capital losses carry forward for income tax purposes of approximately \$6,327,804, which may be deducted against future years' taxable income at various rates per year and expire at various times, subject to final determination by taxation authorities and expiring as follows:

| Expiry | Amount |
|--------|----------------------------|
| 2026 | \$ 87,992 |
| 2027 | 118,565 |
| 2028 | 165,675 |
| 2029 | 144,380 |
| 2030 | 641,764 |
| 2031 | 1,544,363 |
| 2032 | 1,298,873 |
| 2033 | 282,283 |
| 2034 | 719,289 |
| 2035 | 322,145 |
| 2036 | 246,347 |
| 2037 | 277,164 |
| 2038 | 307,578 |
| 2039 | 170,978 |
| | <u><u>\$ 6,327,804</u></u> |

The Company also has approximately \$2,936,352 of cumulative Canadian development expenses, cumulative Canadian exploration expenses and cumulative foreign resource expenses available to offset future taxable income. The tax benefit of these expenses carries forward indefinitely.

The realization of income tax benefits related to these future potential tax deductions is uncertain and cannot be viewed as more likely than not. Accordingly, no deferred income tax asset has been recognized for accounting purposes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8. FINANCIAL INSTRUMENTS

Fair Value Measurement

Financial instruments measured at fair value are classified using a hierarchy that reflects the significance of the inputs used in making the measurements. The Company classifies its financial instruments based on the fair value hierarchy which has the following levels:

Level 1: Fair value based on quoted market prices (unadjusted) observed on active markets for identical financial instruments.

Level 2: Fair value based on quoted prices for similar financial instruments or based on valuation techniques for which all significant inputs are based on observable market information.

Level 3: Fair value based on valuation techniques for which significant inputs are not based on observable market information.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect the estimated fair values.

The fair value of the Company's cash and marketable securities are measured at level 1 and level 2 of the fair value hierarchy respectively. The carrying value of accounts receivables, deposits, accounts payable and accrued liabilities and flow-through share premium liability approximates their fair value because of their short term nature of if these instruments.

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

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations to the Company. The Company is exposed to credit risk represented by carrying value of cash, short-term investments that are held at a large Canadian financial institution in interest bearing accounts and amounts receivable for harmonized sales tax. The financial institution is a major Canadian bank which the Company believes lessens the degree of credit risk. The primary receivables owed to the Company are owed from the Federal Government of Canada as a result of HST refunds. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can do so only at excessive cost. The Company exposure to liquidity is limited to accounts payable and accrued liabilities and amounts due to related party. The Company believes that its exposure to liquidity risk is insignificant as currently the Company has adequate funds available to discharge these liabilities. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions.

Liquidity risk (cont'd)

ROJO RESOURCES LTD.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three months ended October 31, 2019 and 2018

8. FINANCIAL INSTRUMENTS (cont'd)

The following are the contractual maturities of financial liabilities as at October 31, 2019:

| | Total | Up to 3 Months | 3 – 12 Months | Beyond 1 Year |
|--|----------|----------------|---------------|---------------|
| Accounts payable and accrued liabilities | \$69,135 | \$69,135 | | |
| Due to related parties | \$56,136 | \$56,136 | | |

The following are the contractual maturities of financial liabilities as at July 31, 2019:

| | Total | Up to 3 Months | 3 – 12 Months | Beyond 1 Year |
|--|----------|----------------|---------------|---------------|
| Accounts payable and accrued liabilities | \$48,181 | \$48,181 | | |
| Due to related parties | \$28,928 | \$28,928 | | |

Market risk

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

Interest rate risk

The Company's interest rate risk is limited to the risk that the fair value of future cash flows from a financial instrument will fluctuate as a result of changes in market prices. The Company's financial assets and liabilities are not exposed to significant interest rate risk due to their short-term nature. The Company's investment policy focuses on the preservation of capital and limits investments of excess cash into high grade Canadian debt securities.

Currency risk

As at October 31, 2019, all of the Company's cash and cash equivalents were held in Canadian dollars, the Company's functional currency. The Company exposure to fluctuations in foreign currency exchange rates is limited to the deposits held by the Company in a financial institution. As at year-end, the balance outstanding in the deposit account is minimal thereby minimizing the foreign exchange risk for the Company. Currently, the Company is not exposed significant currency risk as the Company is not carrying any financial assets or liabilities denominated in foreign currency.

Price risk

The Company is exposed to price risk with respect to commodity prices. The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

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9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to fund the exploration and development of its unproven mineral interests and acquisition of other mineral resources, for the benefit of its shareholders.

In order to maintain its capital structure, the Company, is dependent on equity funding and when necessary, raises capital through issuance of equity instruments, primarily comprised of common shares and incentive stock options and warrants. The Company manages its capital structure and makes adjustments to it in the light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company's capital consists of cash and shareholders' equity. The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. The Company's overall strategy with respect to management of capital remains unchanged from the year ended July 31, 2019.

10. SEGMENTED INFORMATION

The Company is primarily involved in the exploration and development of mineral properties and other investments in Canada and currently is no longer exploring opportunities in any sector outside Canada. All assets and liabilities are currently located in Canada.

| | October 31, 2019 | July 31, 2019 |
|------------------------|-----------------------------|----------------------|
| | Canada | Canada |
| Current Assets | \$ 124,592 | \$ 22,271 |
| Property and Equipment | 291 | 312 |
| | \$ 124,883 | \$ 22,583 |

11. SUBSEQUENT EVENTS

Subsequent to the year end on October 21, 2019, the Company announced that it has entered into a definitive arrangement agreement dated (the "Arrangement Agreement") dated April 23, 2019 with Salvation Botanicals Ltd. ("Salvation"), a private BC based company. Pursuant to the Arrangement Agreement, the Company and Salvation propose to complete a plan of arrangement or similar transaction which will continue the business of Salvation as a subsidiary of the Company or otherwise, as a public company listed on the TSX Venture Exchange.

Rojo Resources Ltd. (TSXV – RJ) (the "Company") is pleased to advise that further to its news release of October 21, 2019 announcing a \$650,000 non-brokered private placement, the private placement was heavily oversubscribed and therefore the Company upsized and has closed the private placement at gross proceeds of \$800,000 through the issuance of 6,400,000 units (each a "Unit") at a price of \$0.125 per Unit (the "Offering"). In connection with closing of the Offering the Company paid finder's fees of \$10,380 and issued 83,040 non-transferable finder's Warrants to certain agents in accordance with applicable securities laws and the policies of the TSX Venture Exchange ("TSXV"). Each Unit consists of one common share of the Company (a "Common Share") and one transferable common share purchase warrant (a "Warrant"), with each Warrant entitling the holder thereof to acquire one additional Common Share at a price of \$0.25 for a period of one year subject to an accelerated expiry if the closing trading price of the Resulting Issuer shares is greater than \$0.75 per share (post-Consolidation Price) for a period of 10 consecutive trading days (the "Acceleration Event").