
KINGSMEN RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

KINGSMEN RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2020 \$	December 31, 2019 \$
ASSETS			
Current assets			
Cash		847,684	705,215
GST receivable		1,854	5,367
Amounts receivable		5,862	-
Prepaid expenses		<u>14,847</u>	<u>14,039</u>
Total current assets		<u>870,247</u>	<u>724,621</u>
Non-current assets			
Exploration and evaluation assets	4	<u>1</u>	<u>1</u>
Total non-current assets		<u>1</u>	<u>1</u>
TOTAL ASSETS		<u>870,248</u>	<u>724,622</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		<u>12,289</u>	<u>8,922</u>
TOTAL LIABILITIES		<u>12,289</u>	<u>8,922</u>
SHAREHOLDERS' EQUITY			
Share capital	5	18,615,138	18,615,138
Share-based payment reserve		2,159,638	2,159,638
Deficit		<u>(19,916,817)</u>	<u>(20,059,076)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>857,959</u>	<u>715,700</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>870,248</u>	<u>724,622</u>

Nature of Operations - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 12, 2020 and are signed on its behalf by:

/s/ Scott Emerson
 Scott Emerson
 Director

/s/ Nick DeMare
 Nick DeMare
 Director

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

KINGSMEN RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended September 30		Nine Months Ended September 30	
		2020 \$	2019 \$	2020 \$	2019 \$
Expenses					
Accounting and administration	6(b)(ii)	3,600	4,912	13,400	19,586
Audit		-	-	10,250	10,394
Conference		-	-	-	2,161
General exploration		-	4,075	5,132	8,144
Legal		4,807	2,265	13,706	2,908
Management fees	6(a)	24,000	24,000	72,000	72,000
Office and miscellaneous		2,224	3,692	7,318	14,194
Professional fees	6	6,000	6,000	18,000	18,000
Regulatory		5,363	11,770	18,858	24,094
Rent		-	6,450	10,965	14,600
Shareholder costs		337	1,239	690	1,574
Transfer agent		707	1,178	2,823	3,227
Travel and related		697	616	6,734	19,921
		<u>47,735</u>	<u>66,197</u>	<u>179,876</u>	<u>210,803</u>
Loss before other items		<u>(47,735)</u>	<u>(66,197)</u>	<u>(179,876)</u>	<u>(210,803)</u>
Other items					
Interest income		1,522	2,146	6,316	7,618
Foreign exchange		(1,989)	(313)	(486)	(1,005)
Gain on disposition	4	-	-	316,305	-
		<u>(467)</u>	<u>1,833</u>	<u>322,135</u>	<u>6,613</u>
Net (loss) income and comprehensive (loss) income for the period		<u>(48,202)</u>	<u>(64,364)</u>	<u>142,259</u>	<u>(204,190)</u>
Basic and diluted (loss) income per common share		<u>\$(0.00)</u>	<u>\$(0.00)</u>	<u>\$0.01</u>	<u>\$(0.01)</u>
Basic and diluted weighted average number of common shares outstanding		<u>24,668,490</u>	<u>16,894,376</u>	<u>24,668,490</u>	<u>16,894,376</u>

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

KINGSMEN RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2020				
	Share Capital		Share-Based Payment Reserve \$	Deficit \$	Total Equity \$
	Number of Shares	Amount \$			
Balance at December 31, 2019	24,668,490	18,615,138	2,159,638	(20,059,076)	715,700
Net income for the period	-	-	-	142,259	142,259
Balance at September 30, 2020	<u>24,668,490</u>	<u>18,615,138</u>	<u>2,159,638</u>	<u>(19,916,817)</u>	<u>857,959</u>

	Nine Months Ended September 30, 2019				
	Share Capital		Share-Based Payment Reserve \$	Deficit \$	Total Equity \$
	Number of Shares	Amount \$			
Balance at December 31, 2018	16,894,376	18,127,609	2,159,638	(19,722,740)	564,507
Common shares issued for:					
- private placement	6,345,384	412,450	-	-	412,450
Share issue costs	-	(12,882)	-	-	(12,882)
Net loss for the period	-	-	-	(204,190)	(204,190)
Balance at September 30, 2019	<u>23,239,760</u>	<u>18,527,177</u>	<u>2,159,638</u>	<u>(19,926,930)</u>	<u>759,885</u>

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

KINGSMEN RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended September 30.	
	2020 \$	2019 \$
Operating activities		
Net income (loss) for the period	142,259	(204,190)
Adjustment for:		
Gain on disposition	(316,305)	-
Changes in non-cash working capital items:		
Amounts receivable	(5,862)	(54)
GST receivable	3,513	394
Prepaid expenses	(808)	(6,007)
Accounts payable and accrued liabilities	3,367	9,055
Net cash used in operating activities	<u>(173,836)</u>	<u>(200,802)</u>
Investing activity		
Proceeds on disposition	<u>316,305</u>	<u>-</u>
Net cash provided by investing activity	<u>316,305</u>	<u>-</u>
Financing activities		
Issuance of share capital	-	412,450
Share issue costs	<u>-</u>	<u>(12,882)</u>
Net cash provided by financing activities	<u>-</u>	<u>399,568</u>
Net change in cash during the period	142,469	198,766
Cash at beginning of period	<u>705,215</u>	<u>570,554</u>
Cash at end of period	<u>847,684</u>	<u>769,320</u>

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

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

The Company was incorporated on January 11, 2000 under the provisions of the Company Act (British Columbia). The Company's common shares are listed and trade on the TSX Venture Exchange ("TSXV") under the symbol "KNG" and on the OTCQB under the symbol ("TUMIF"). The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company is engaged in the acquisition and exploration of precious metals on mineral properties. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. On February 18, 2020 the Company entered into an agreement to sell an interest in the La Trini Property, as described in Note 4. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

As at September 30, 2020 the Company had working capital in the amount of \$857,958 and an accumulated deficit of \$19,916,817. To date the Company has not earned any revenues and is considered to be in the exploration stage. These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company currently does not anticipate incurring significant exploration activities on its existing exploration and evaluation assets and management considers that the Company has adequate resources to maintain its core operations for the next twelve months. The Company continues to conduct reviews and due diligence on prospective acquisitions and business opportunities. Completion of any acquisition may require the Company to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

On March 11, 2020 the World Health Organization declared the outbreak of a novel coronavirus, identified as "COVID-19", as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. Basis of Preparation

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's audited financial statements for the year ended December 31, 2019.

Basis of Measurement

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited - Expressed in Canadian Dollars)

3. Subsidiary

As at September 30, 2020 the Company held a 51% ownership interest in TMXI Resources S.A. de C.V. ("TMXI"), a company incorporated in Mexico. See also Note 4.

4. Exploration and Evaluation Assets

La Trini, Mexico

TMXI holds a 100% interest in five mineral claims (the "La Trini Project") located in the Jalisco silver belt approximately 100 kilometres northwest of Guadalajara, Jalisco State, Mexico.

On April 21, 2020 the Company completed a purchase option agreement, dated April 7, 2020, with GoGold Resources Inc. ("GoGold") an arm's length purchaser whereby the Company sold an initial 49% ownership interest (the "Initial Interest") in TMXI to GoGold for \$316,305 (US \$225,000). GoGold has the option (the "Option") to acquire the Company's remaining 51% in TMXI by paying the Company US \$210,000 on or before February 18, 2022, subject to acceleration provisions (the "Option Period"). If GoGold does not exercise the Option within the Option Period then the Company may re-purchase GoGold's Initial Interest for \$1. Upon the exercise of the Option the Company will retain a 1% NSR on the La Trini Project, which may then be purchased by GoGold for US \$1,000,000.

The La Trini Project is subject to a 1% net smelter return royalty ("NSR") and the Company has the right to reduce the NSR to 0.5% through a cash payment of US \$1,000,000.

GoGold has agreed to directly fund all expenditures incurred on the La Trini Project and all future costs incurred in TMXI for the duration of the Option Period.

5. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Equity Financings*

Nine Months Ended September 30, 2020

No equity financings were conducted by the Company during the nine months ended September 30, 2020.

Fiscal 2019

During fiscal 2019 the Company completed a non-brokered private placement financing of 7,774,114 units at \$0.065 per unit for gross proceeds of \$505,317. Each unit comprised one common share of the Company and one share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at an exercise price of \$0.085 per share, expiring two years from closing. The Company incurred \$17,788 for legal and filing costs associated with this private placement. The President of the Company and a family member purchased a total of 1,415,384 units for \$92,000.

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited - Expressed in Canadian Dollars)

5. Share Capital (continued)

(c) **Warrants**

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at September 30, 2020 and 2019 and the changes for the nine months ended on those dates is as follows:

	2020		2019	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	11,774,114	0.09	4,000,000	0.10
Issued	-	-	6,345,384	0.085
Expired	<u>(4,000,000)</u>	0.10	<u>-</u>	-
Balance, end of period	<u>7,774,114</u>	0.085	<u>10,345,384</u>	0.09

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at September 30, 2020:

Number	Exercise Price \$	Expiry Date
6,345,384	0.085	September 30, 2021
<u>1,428,730</u>	0.085	October 15, 2021
<u>7,774,114</u>		

(d) **Share Option Plan**

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

The Company did not grant any share options during the nine months ended September 30, 2020 and 2019 and, as of September 30, 2020, the Company had no share options outstanding.

6. Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company.

(a) **Key Management Personnel Disclosures**

During the nine months ended September 30, 2020 and 2019 the following amounts were incurred with respect to the CEO and CFO of the Company:

	2020 \$	2019 \$
Management fees - CEO	72,000	72,000
Professional fees - CFO	<u>4,500</u>	<u>4,500</u>
	<u>76,500</u>	<u>76,500</u>

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited - Expressed in Canadian Dollars)

6. Related Party Disclosures (continued)

As at September 30, 2020, \$8,000 (December 31, 2019 - \$nil) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Other Related Party Disclosures*

(i) During the nine months ended September 30, 2020 and 2019 the following amounts were incurred with respect to non-management directors and the corporate secretary of the Company:

	2020 \$	2019 \$
Professional fees	<u>13,500</u>	<u>13,500</u>

As at September 30, 2020, \$nil (December 31, 2019 - \$6,000) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the nine months ended September 30, 2020 the Company incurred a total of \$13,400 (2019 - \$16,500) to Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the CFO. As at September 30, 2020, \$2,500 (December 31, 2019 - \$500) remained unpaid and has been included in accounts payable and accrued liabilities.

(iii) See also Note 5(b).

7. Segmented Information

The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results. The Company's total assets are segmented geographically as follows:

	<u>As at September 30, 2020</u>		
	Canada \$	Mexico \$	Total \$
Current assets	863,245	7,002	870,247
Exploration and evaluation assets	<u>-</u>	<u>1</u>	<u>1</u>
	<u>863,245</u>	<u>7,003</u>	<u>870,248</u>
	<u>As at December 31, 2019</u>		
	Canada \$	Mexico \$	Total \$
Current assets	722,945	1,676	724,621
Exploration and evaluation assets	<u>-</u>	<u>1</u>	<u>1</u>
	<u>722,945</u>	<u>1,677</u>	<u>724,622</u>

8. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; and fair value through other comprehensive income. The carrying values of the Company's financial instruments are classified into the following categories:

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited - Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

Financial Instrument	Category	September 30, 2020 \$	December 31, 2019 \$
Cash	FVTPL	847,684	705,215
Amounts receivable	Amortized cost	5,862	-
Accounts payable and accrued liabilities	Amortized cost	(12,289)	(8,922)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amount for amounts receivable, accounts payable and accrued liabilities approximate their fair value due to the short-term nature. The Company's fair value of cash under the fair value hierarchy are measured using Level 1 inputs.

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 loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at September 30, 2020				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	847,684	-	-	-	847,684
Amounts receivable	5,862	-	-	-	5,862
Accounts payable and accrued liabilities	(12,289)	-	-	-	(12,289)

	Contractual Maturity Analysis at December 31, 2019				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	705,215	-	-	-	705,215
Accounts payable and accrued liabilities	(8,922)	-	-	-	(8,922)

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited - Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

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 and equity prices. These fluctuations may be significant.

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

Foreign Currency Risk

The Company has operations in Mexico subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars and Mexican Pesos. The fluctuation of the Canadian Dollar in relation to the Mexican Peso will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company also maintains a US Dollar bank account with its Canadian bank. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At September 30, 2020, 1 Canadian Dollar was equal to 16.51 Mexican Pesos and 0.75 US Dollar.

Balances are as follows:

	Mexican Pesos	US Dollars	CDN \$ Equivalent
Cash	19,711	55,495	75,188
Amounts receivable	95,872	-	5,807
Accounts payable and accrued liabilities	<u>(11,765)</u>	<u>-</u>	<u>(713)</u>
	<u>103,818</u>	<u>55,495</u>	<u>80,282</u>

Based on the net exposures as of September 30, 2020 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Mexican Peso and the US Dollar would result in the Company's net income or loss being approximately \$8,000 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.