



## **Camrova Resources Inc.**

Condensed Interim Financial Statements -Unaudited

**June 30, 2020**

(expressed in United States dollars)



### **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 condensed interim financial statements of Camrova Resources Inc. (the "Company") as at June 30, 2020, and for the three months ended June 30, 2020, 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 an entity's auditor.

# Camrova Resources Inc.

Balance sheet - Unaudited

As at June 30, 2020 and June 30, 2019

(expressed in United States dollars)

	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
Cash and cash equivalents	317	9,756
Prepayments and other assets (note 3)	2,501	10,184
<b>Current assets</b>	<b>2,818</b>	<b>19,940</b>
<b>Total assets</b>	<b>2,818</b>	<b>19,940</b>
<b>LIABILITIES AND EQUITY</b>		
Promissory Notes	185,512	159,479
Accounts payable and accrued liabilities	577,783	484,262
<b>Current liabilities(Note7)</b>	<b>763,295</b>	<b>643,741</b>
<b>Total liabilities</b>	<b>763,295</b>	<b>643,741</b>
Share capital	291,804,541	291,804,541
Contributed surplus	144,309,860	144,309,860
Deficit	(443,463,774)	(443,296,939)
Accumulated other comprehensive income	6,588,896	6,558,737
<b>Total shareholders' equity (note 4)</b>	<b>(760,477)</b>	<b>(623,801)</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,818</b>	<b>19,940</b>

Nature of operations and going concern (note 1)

Guarantees and commitments (note 9)

Approved by the Board and authorized for issue on July 22, 2020.

/s/ C. Thomas Ogryzlo Director

/s/ Wolf Seidler Director

# Camrova Resources Inc.

## Statement of Operation - Unaudited As at June 30, 2020 and June 30, 2019

(expressed in United States dollars)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
<b>Expenses</b>				
General and administration (note 5)	54,874	144,400	152,284	326,321
<b>Loss before other items</b>	(54,874)	(144,400)	(152,284)	(326,321)
Foreign exchange gain(loss)	(6,610)	(1,737)	(2,116)	(822)
Finance (expense) income	(6,549)	(683)	(12,433)	(893)
<b>Loss for the year</b>	(68,033)	(146,820)	(166,833)	(328,036)
<b>Loss per share</b>				
Basic and diluted	(0.003)	(0.006)	(0.007)	(0.014)
<b>Weighted average number of shares outstanding</b>				
Basic and diluted	23,011,760	23,011,760	23,011,760	23,011,760
<b>Statement of Comprehensive Loss</b>				
	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
<b>Loss for the year</b>	(68,033)	(146,820)	(166,833)	(328,036)
<b>Other comprehensive income (loss)</b>				
<b>Items reclassified subsequent to profit or loss</b>				
Currency translation adjustment	(27,576)	(2,420)	30,159	(10,416)
<b>Total comprehensive loss</b>	(95,609)	(149,240)	(136,674)	(338,452)

**Camrova Resources Inc.**  
**Statement of Operation - Unaudited**  
**As at June 30, 2020 and June 30, 2019**

(expressed in United States dollars)

	Share capital		Contributed surplus	Deficit	Accumulated other comprehensive income	Total
	Number	Amount				
<b>Balance – January 1, 2019</b>	21,795,093	291,749,965	144,307,323	(442,514,111)	6,565,732	108,910
Loss for the period	-	-	-	(328,036)	-	(328,036)
Currency translation adjustment	-	-	-	-	(4,847)	(4,847)
Stocks Issued Settlement for Debt	1,216,667	54,575	-	-	-	54,575
<b>Balance – June 30, 2019</b>	<b>23,011,760</b>	<b>291,804,541</b>	<b>144,307,323</b>	<b>(442,842,147)</b>	<b>6,560,885</b>	<b>(169,398)</b>
Loss for the period	-	-	-	(454,794)	-	(454,794)
Currency translation adjustment	-	-	-	-	(2,148)	(2,148)
Stock-based compensation expense	-	-	2,537	-	-	2,537
<b>Balance – December 31, 2019</b>	<b>23,011,760</b>	<b>291,804,541</b>	<b>144,309,860</b>	<b>(443,296,941)</b>	<b>6,558,737</b>	<b>(623,803)</b>
Loss for the period	-	-	-	(166,833)	-	(166,833)
Currency translation adjustment	-	-	-	-	30,159	30,159
<b>Balance – June 30, 2020</b>	<b>23,011,760</b>	<b>291,804,541</b>	<b>144,309,860</b>	<b>(443,463,774)</b>	<b>6,588,896</b>	<b>(760,477)</b>

Six months ended

# Camrova Resources Inc.

Statement of Operation - Unaudited

As at June 30, 2020 and June 30, 2019

(expressed in United States dollars)

	June 30, 2020	June 30, 2019
<b>Cash flows from operating activities</b>		
Loss for the year	(166,833)	(328,036)
Items not affecting cash		
Stock-based compensation expense	1,221	-
Unrealized foreign exchange	-	4,539
	(165,612)	(323,497)
Net changes in working capital balances		
Other current assets	5,203	15,869
Accounts payable and accrued liabilities	150,500	235,840
	(9,909)	(71,788)
<b>Cash flows from financing activities</b>		
Private Placement	-	54,575
<b>Effect of exchange rate changes on cash and cash equivalents</b>	470	(4,592)
<b>Increase (decrease) in cash and cash equivalents</b>	(9,439)	(21,805)
<b>Cash and cash equivalents - beginning of year</b>	9,756	31,445
<b>Cash and cash equivalents - end of year</b>	317	9,640

# Camrova Resources Inc.

Notes to the Financial Statements - Unaudited

June 30, 2020

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(expressed in United States dollars, unless stated otherwise)

## 1 NATURE OF OPERATIONS AND GOING CONCERN

Camrova Resources Inc. (the “Company” or “Camrova”) was incorporated on July 15, 1985, under the Company Act of British Columbia. The Company has a minority investment in the El Boleo copper-cobalt-zinc-manganese deposit (the “Boleo Mine” or the “Mine”) located near Santa Rosalia, Baja California Sur, Mexico. Minera y Metalúrgica del Boleo, S.A.P.I. de C.V. (“MMB”) holds the mineral property rights to the Boleo Mine. In addition, the Company is investigating and pursuing alternative project opportunities. The Company is domiciled in Canada and its registered office is 600 – 890 West Pender Street, Vancouver, British Columbia, V6C 1J9.

The Company is a reporting issuer in Canada and trades on the TSX Venture Exchange, the Frankfurt Stock Exchange, the OTC market and the Santiago Stock Exchange (SSE).

These financial statements have been prepared on an going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. The Company’s ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities from normal operations when they become due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least but not limited to twelve months from the end of the reporting period.

As at June 30, 2020, the Company had cash and cash equivalents of \$2,818 working capital deficiency of \$760,477, and an accumulated deficit of \$443,463,774. The Company had cash outflows from operating activities of \$9,438 for the quarter ended June 30, 2020. The Company expects to incur further losses in the development of its business. Based on the Company’s cash flow forecasts, it will require additional financing within the next 12 months in order to meet its ongoing corporate overhead, and to continue its discretionary evaluation programs. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or will be able to raise additional future funding when required. These factors cast significant doubt on the Company’s ability to continue as a going concern.

These financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

## 2 BASIS OF PREPARATION AND NEW ACCOUNTING POLICIES

These condensed audited interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of unaudited interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company’s most recent annual audited financial statement, and should be read in conjunction with

# Camrova Resources Inc.

Notes to the Financial Statements - Unaudited

June 30, 2020

(expressed in United States dollars, unless stated otherwise)

## 2 BASIS OF PREPARATION AND NEW ACCOUNTING POLICIES (continued)

the Company's annual financial statements for the year ended December 31, 2019 which were prepared in accordance with IFRS as issued by the IASB.

## 3 PREPAYMENT

	June 30, 2020	December 31, 2019
Insurance	2,501	10,184

## 4 SHAREHOLDERS' EQUITY

These financial statements reflect a twenty-for-one share consolidation in October 2016, and all references to number of common shares, share options, and per common share amounts have been retroactively restated to present post-consolidation amounts (note 1).

### a) Authorized Share Capital

. On September 21, 2018 (Press Release# 4/2018) final approval was received from the TSXV Exchange with respect to converting \$111,037 of indebtedness to certain arm's length and non-arm's length creditors to 1,954,440 Common Shares valued at Cdn\$0.075.

On May 1, 2019 the TSXV Exchange approved a Private Placement of 1,216,667 Common Shares at Cdn\$0.06 per share realising \$54,575 along with Warrants for the same number of Common Shares at the exercised price of Cdn\$0.10 per share with an expiry date of May 1, 2021 (Press Release #7/2019)



# Camrova Resources Inc.

Notes to the Financial Statements - Unaudited

June 30, 2020

(expressed in United States dollars, unless stated otherwise)

## 4 SHAREHOLDERS' EQUITY (continued)

### b) Stock options

Details of the Company's outstanding stock options are as follows:

	<b>Number of options</b>	<b>Weighted average exercise price (Cdn\$ per option)</b>
Stock options outstanding – June 30, 2020	1,713,750	\$0.184

The following table summarizes information about stock options outstanding and exercisable at June 30, 2020

<b>Range of prices (Cdn\$ per option)</b>	<b>Number of outstanding options</b>	<b>Weighted average years to expiry for outstanding options</b>	<b>Weighted average exercise price for outstanding options (Cdn\$)</b>	<b>Number of exercisable options</b>	<b>Weighted average exercise price for exercisable options (Cdn\$)</b>
0.06-0.215	1,713,750	1.41	0.184	1,613,750	0.184

During Q3 2020, 250,000 Stock Options are expected to expire.

The Company's stock option plan (the "Plan") allows the Company to grant stock options up to a maximum of 10% of the number of issued shares of the Company. Stock options granted under the Plan will vest with the right to exercise one-quarter of the options upon conclusion of every six months subsequent to the grant date, unless otherwise specified by the board of directors at the time the particular options are granted.

There were no stock option awarded in Q1 & Q 2, 2020 (2019, 250,000 share options were granted to third parties at \$0.06 per share, which will expire on July 20, 2020).

# Camrova Resources Inc.

Notes to the Financial Statements - Unaudited

June 30, 2020

(expressed in United States dollars, unless stated otherwise)

## 4 SHAREHOLDERS' EQUITY (continued)

The model inputs for the valuation of the stock options issued in the period ended June 30, 2020 are as follows:

	2020	2019
Volatility	100%	100%
Risk-free interest rate	1.4%	1.4%
Expected life	1 year	1 year
Expected volatility	100%	100%

The total stock-based compensation recorded during the period was \$1,221 (2019 - \$2,537). This has been recognized in general and administration expense and contributed surplus.

At June 30, 2020 there were no (2018 – nil) potentially dilutive shares related to stock options that have been included in the diluted earnings per share calculation for the year presented because their effect is anti-dilutive.

## 5 GENERAL AND ADMINISTRATION EXPENSE

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Wages, salaries, and management fees	46,872	47,152	94,663	95,706
Directors fees	5,416	5,573	10,998	11,214
Stock-based compensation (note 4(b))	1,221	-	1,221	-
Professional and consulting fees	(4,926)	(15,640)	24,633	62,677
Due Diligence	-	59,599	-	70,204
Office and administration	6,818	23,416	14,472	40,216
Shareholders information	(527)	24,300	6,297	46,214
	54,874	144,400	152,284	326,231

Due Diligence costs incurred in 2019 related to potential Chilean acquisition.

# Camrova Resources Inc.

Notes to the Financial Statements - Unaudited

June 30, 2020

(expressed in United States dollars, unless stated otherwise)

## 6 RELATED PARTY TRANSACTIONS

### *Compensation of key management personnel*

	Quarter ended June 30,	
	2020	2019
Short-term employee benefits/Key Personnel salary	46,872	47,152
Stock-based compensation	1,221	-
	48,093	47,152

Included in accounts payable at June 30, 2020 is an amount of \$46,872 (2019 -\$47,152) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment. In addition to the above certain related parties loaned \$39,150 which is part of the \$185,512 to the company to assist with the Bridge Financing. These amounts are interest bearing at a rate of 15% per annum.

## 7 CURRENT LIABILITIES-ACCOUNTS PAYABLE

As at June 30, 2020, the Company had the following undiscounted contractual obligations:

Contractual Obligations	Payments due by period				
	Total	Less than 1yr	1-3 yrs	4-5 yrs	5 yrs
Accounts Payable and Accruals	\$577,783	\$198,997	\$378,786	\$ -	\$ -
Promissory Notes	\$185,512	\$185,512	-	-	-
	\$763,295	\$384,509	\$378,786	\$ -	\$ -

Included in the Accounts payable is an accrual of \$ 320,804 payable to related parties.

The promissory notes of \$185,512 accrued to related (\$39,150) and non-related parties (\$146,362) are unsecured, due in July 2020 and bear interest at an annual rate of 15 % ( see Subsequent Events).

## 8 SEGMENTED INFORMATION

### Operating Segments

The Company currently operates in one business segment, being the acquisition, exploration and development of resource properties.

No revenues were earned from external customers in Q1-2020, Q2-2020 or 2019.

# Camrova Resources Inc.

Notes to the Financial Statements - Unaudited

June 30, 2020

(expressed in United States dollars, unless stated otherwise)

## 9 GUARANTEES AND COMMITMENTS

In 2012, the Company entered into a lease assignment for offices no longer being used by the Company. In order to induce the landlord to approve the assignment, the Company provided an indemnity agreement to the landlord. The Company will remain liable during the balance of the lease term in the event the assignee does not fulfill its obligations to the landlord. The lease expires September 30, 2020.

At June 30, 2020, total future aggregate minimum lease payments over the remaining lease term by the assignee to the landlord covered by this indemnity agreement is \$128,229.

No amount has been accrued for this indemnity as of June 30, 2020, as management has assessed that it was not probable that the Company will be required to cover any amounts under the indemnity.

## 10 SUPPLEMENTAL CASH FLOW INFORMATION

	June 30, 2020	June 30, 2019
Cash in bank	317	9,640
Cash equivalents	2,501	-
	2,818	9,640

## 11 SUBSEQUENT EVENT

### Stock Options

The Board of Directors at a meeting on July 20, 2019 awarded 200,000 stock options to two external consultants. In addition, 50,000 stock options were awarded to the Company's VP Business Development in Chile. These stock options will expire in Q3, 2020.

### Promissory Notes

The Promissory Notes which were issued a part of the Bridge Financing will expire in Q3,2020 and will be extended to December 31, 2020 due to the Company's financial inability to settle at this time,

### Have they agreed to the change?