



(an exploration stage company)

Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

**As at and for the Three Months Ended
May 31, 2021 and 2020**



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim consolidated financial statements of Waseco Resources Inc. (the "Company") are the responsibility of the management and have been approved by the Board of Directors of the Company.

The condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies as disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared fairly, in all material respects and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated 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 consolidated 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 condensed interim consolidated 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.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or ICFR, as defined in NI 52-109.

"Richard Williams"
President & CEO

"Richard Williams"
Acting Chief Financial Officer

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 unaudited interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Statements for the three months ended May 31, 2021 and 2020 have not been reviewed by the Company's auditors.



Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

	May 31, 2021	February 28, 2021
Assets		
Current		
Cash (Note 4)	\$ 34,502	\$ 46,479
HST recoverable	4,900	4,154
BLM exploration bond (Note 5)	21,416	22,522
	\$ 60,818	\$ 73,155
Liabilities		
Current		
Trade payables and accruals	\$82,286	\$ 82,712
Advances payable (Note 6)	466,395	466,395
Shareholder loan (Note 7)	5,000	5,000
Provision for property restoration (Note 5)	21,416	22,522
	575,097	576,629
Exploration deposits	338,259	338,259
	913,356	914,888
Shareholders' Equity (Deficiency in Assets)		
Share capital (Note 9)	6,473,483	6,473,483
Contributed Surplus - Share payment reserve	66,101	59,920
Deficit	(7,392,122)	(7,375,136)
Total Shareholders' Equity (Deficiency in Assets)	(852,538)	(841,733)
Total Liabilities and Shareholders' Equity	\$ 60,818	\$ 73,155

Nature of Operations and Going Concern (Note 1)

Approved by the Board:

"Derek Bartlett"
Derek Bartlett, Director

"Richard Williams"
Richard Williams, Director

The accompanying notes are an integral part of these financial statements



Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

Three months Ended May 31,	2021	2020
Expenses		
General and administrative	\$ 621	\$ 206
Exploration and evaluation expenditures <i>(Note 8)</i>	-	17,934
Professional fees	2,746	42,740
Share based compensation	66,101	-
Shareholder relations and regulatory fees	6,245	-
Foreign exchange (gains) losses	1,193	-
	76,906	60,880
Miscellaneous Income:	-	130
Net Loss and Comprehensive Loss	\$ (76,906)	\$ (60,750)
Loss per share – basic and diluted	(0.001)	(0.001)
weighted average number of shares – basic and fully diluted	41,681,390	41,681,390

The accompanying notes are an integral part of these financial statements



Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital		Contributed Surplus			
	Number of Shares	Amount	Share Payment Reserve	Warrants	Deficit	Total
Balance at March 1, 2020	41,681,300	6,471,390	59,920	1,974	(7,441,944)	(908,541)
Expiry of warrants				(1,974)		-
Comprehensive loss for the year					66,808	66,808
Balance at March 1, 2021	41,681,300	6,471,390	59,920	-	(7,375,136)	(841,733)
Value of options expired			(59,920)		59,920	-
Value of options granted			66,101			66,101
Comprehensive loss for the period					(76,906)	(76,906)
Balance at May 31, 2021	41,681,300	6,471,390	66,101	-	(7,392,122)	(852,538)

The accompanying notes are an integral part of these audited financial statements



Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

<i>Three Months Ended May 31,</i>	2021	2020
Operations		
Net loss	\$ (76,906)	\$ (60,750)
Adjustments to reconcile net loss to cash flow from operating activities:		
Share based compensation	66,101	-
	(10,805)	(60,750)
Net change in non-cash operating working capital items:		
Sales taxes recoverable	(747)	(5,558)
Exploration advances	-	(877)
Prepaid expenses	-	-
Trade payables and accruals	(424)	(38,839)
Cash Used in Operations	(11,976)	(106,024)
Financing		
Loans and advances payable	-	105,995
Repayment of shareholder loan	-	(5,000)
Cash From Financing Activities	-	100,995
Increase (Decrease) in Cash	(11,976)	(5,029)
Cash at beginning of period	46,478	5,257
Cash at End of Period	\$ 34,502	\$ 228

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Waseco Resources Inc. ("Waseco" or the "Company") is continued under the laws of Ontario. Its shares trade on the TSX Venture Exchange under the symbol WRI and on the Frankfurt Exchange under the symbol WSE. The Company's registered office is Suite 1500, 2 Queen Street East, Toronto, Ontario, MSC 3G5.

The Company is an exploration stage company. On July 13, 2020, the Company announced that it had optioned its Battle Mountain Ridge Project, in Nevada, to the Marigold Mining Company ("Marigold"), a subsidiary of SSR Mining Inc. Management believes that this project can now be developed in conjunction with the adjacent Trenton Canyon Mine, which is being brought forward by Marigold. Management also expects that the option will be exercised and that the Company will receive several million dollars at that time. Thereafter, it may continue to participate in the project through a royalty holding.

Management and the Technical Advisory Committee have now turned their attention to evaluating new projects. The Company also has interests in exploration prospects in Ontario and Quebec, Canada, and a Positive Bankable Feasibility Study ("Intellectual property") relating to a gold prospect in Indonesia. Substantially all the Company's efforts are devoted to identifying a new lead project. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

As at May 31, 2021, the Company had a working capital deficiency of \$514,280 (February 28, 2021 - \$503,474), has never had profitable operations, has accumulated losses at May 31 2021 of \$7,392,122 (February 28, 2021 of \$7,375,136) and expects to incur future losses in the development of its business, all of which casts significant doubt on the Company's ability to continue as a going concern. Significant challenges in raising new capital through the equity and debt markets exist, which are compounded by the unprecedented business climate created by the COVID-19 pandemic. It is uncertain how long these events will continue to impact the economy and the Company's ability to secure financing. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments, if any, that may be required to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and discharge its liabilities as a going concern in the normal course of operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

Management plans to secure necessary financing, as and when needed, through a combination of the issue of new equity or debt instruments and the entering of joint venture or option arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

For further comments on the Company's liquidity risk refer to Note 4 below.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited consolidated interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on July 28, 2021.

2.2 Basis of presentation and functional and presentation currency

These condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for fair value through profit and loss assets, which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information, as explained in the accounting policies set out in Note 3.

The consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

2.3 Basis of consolidation

These audited consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary: Waseco Resources US Inc., a Nevada corporation based in the United States. Control is achieved when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

All inter-company transactions, balances revenues and expenses are eliminated on consolidation.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to ensure it continues as a going concern. 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 future development of the business.

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. If, however, the joint venture decides to continue the exploration in Quebec then the Company would have a source of revenue. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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.

3. CAPITAL MANAGEMENT (continued)

The mining industry is cyclical in nature. For the past few years, raising equity capital for junior explorers, such as Waseco, has been challenging. These market conditions appear to be improving as the price of gold recovers. The Company has historically relied, beyond modest revenue amounts generated, on equity financing to raise capital and expects to be able to continue to do so. Management has considered how these conditions have impacted the Company's viability given its current capital structure and considers that until the outcome of future financing activities is known there is considerable uncertainty about the appropriateness of the use of the going concern basis of accounting. In the meantime, the Company has been fortunate in being the beneficiary of interest free advances by Directors but there is no assurance of the continuation of such support.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

The Company is not subject to any capital requirements imposed by regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. As of May 31, 2021 the Company was not compliant with this policy of the TSXV.

There were no changes in the Company's approach to capital management during the three-months ended May 31, 2021.

4. FINANCIAL INSTRUMENTS

Waseco's risk exposures and the impact on the Company's financial instruments are summarized below:

Interest-rate risk

Waseco maintains excess cash balances in an interest-bearing bank account at a major Canadian financial institution.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and refunds of government taxes due and the risk is considered low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At May 31, 2021, the Company had a working capital deficiency of \$514,280 (February 29, 2021 – \$503,474). In order to meet its longer-term working capital and property exploration expenditures, the Company would, if necessary, attempt to secure further financing to ensure that those obligations were properly discharged. There can be no assurance that Waseco will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. In the meantime, Mr. Williams, the Chief Executive Officer and a Director of the Company, has been supporting the Company's operations by extending shareholder advances to the Company with neither interest nor fixed repayment terms. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Waseco may change and shareholders may suffer additional dilution.

Sensitivity analysis

The Company's investments are subject to fair value fluctuations. As at May 31, 2021 if the fair value of the investments had changed by 10%, with all other variables held constant, the change in net comprehensive loss for the year then ended would have been insignificant.

4. FINANCIAL INSTRUMENTS (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, commodity prices and/or stock market movements (price risk).

5. BLM EXPLORATION BOND

Waseco provided a reclamation bond to the government of the State of Nevada in the amount US\$17,740 with respect to the leases claims on the Battle Mountain Gold Trend, in Larder County, Nevada (see note 9.1). Under the terms of an Option Agreement with the Marigold, Waseco's bond will be returned to it once Marigold provides the Nevada government with its own reclamation bond.

The Option Agreement requires that Marigold issue its reclamation bond to the Nevada government before commencing its work program on the property. Marigold advised Waseco that their bond will be issued to the Nevada government in calendar 2021. As such, the Company has disclosed the BLM reclamation bond and related provision for property restoration as a current asset and liability, respectively, in the consolidated financial statements for the year ended February 28, 2021.

6. ADVANCES PAYABLE

Advances payable are due to Waseco's Chief Executive Officer and are unsecured, non-interest bearing, and with no fixed terms of repayment.

7. SHAREHOLDERS' LOANS

Shareholders' loans payable consists of the following:

As at	May 31, 2021	February 28, 2021
Unsecured loan – non-interest bearing	\$ 5,000	\$ 5,000

8. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenses for the Company are broken down as follows:

Property's Location	James Bay Lowland Ontario	Labrador Trough Quebec	Battle Mountain Nevada, USA	Total
Balance at February 29, 2020	\$170,324	\$102,753	\$1,593,762	\$1,866,839
Property expenditures	-	-	182	182
Balance at February 28, 2021	170,324	102,753	1,593,944	1,867,021
Property expenditures	-	-	-	-
Balance at May 31, 2021	\$ 170,324	\$ 102,753	\$ 1,593,944	\$ 1,867,021

8. EXPLORATION AND EVALUATION EXPENDITURES *(continued)*

8.1 Battle Mountain, Nevada: The Company leases 29 unpatented mining claims on the Battle Mountain Gold Trend, in Larder County, Nevada. This lease is held in the name of Waseco Resources US Inc., a wholly owned subsidiary the Company. The property is subject to a 5% NSR royalty of which 2.5% NSR can be acquired at any time for US\$1.5 Million. The NSR Agreement initially called for advance royalty payments of US\$75,000 per year, which was reduced to US \$50,000 commencing in fiscal 2018. In addition, the Property has quarterly lease payments of US \$5,000. These payments include an inflation adjustment, to be calculated quarterly.

On July 1, 2020, the Company's wholly owned subsidiary entered into an Option Agreement (the "Agreement") with the Marigold Mining Company ("Marigold"), a wholly owned subsidiary of SSR Mining Inc. Under the terms of the Agreement, Marigold has an exclusive option to acquire all the rights, title, and interest in Waseco's leased unpatented mining claims within the Agreement's five-year term, which commenced on the date the Agreement was executed. On closing Waseco received cash consideration of US\$100,000 as an advance towards the option purchase price plus US\$22,660 as a reimbursement of advance royalty, lease payments and core shack fees paid by Waseco. Marigold also assumed Waseco's obligation to pay the annual royalty and quarterly lease payments.

Under the terms of the Agreement, Marigold has the option, at its sole discretion, to complete minimum earn-in work requirements, which are as follows:

- No later than July 1, 2023, either complete 10,000 feet of drilling or incur \$500,000 in qualifying exploration expenditures; and
- No later than July 1, 2025, either complete an additional 20,000 feet of drilling or incur an additional \$1.0 million in qualifying exploration expenditures.

If Marigold does not complete the minimum earn-in work requirements, it has the option to pay Waseco an amount equal to the qualifying exploration expenditures for the applicable earn-in period less the qualifying exploration expenditures actually incurred by Marigold for the applicable earn-in period.

When Marigold fulfills its exclusive option obligations discussed above, Marigold will have the right to exercise its option by providing Waseco with written notice within sixty days from July 1, 2025 to purchase the existing data owned by Waseco, as well as the contracts, water rights, permits, lease for the unpatented mining claims and existing royalty agreement, at the rate of US\$25 multiplied by the number of Measured, Indicated and Inferred mineral resource reported in Marigold's resource statement, which is required to conform to the standards of National Instrument 43-101. The purchase price is subject to a maximum option price of US\$6.0 million and a minimum option price of US\$1.0 million.

Marigold will also pay Waseco a 1% Net Smelter Return on the production and sale of minerals from the property in excess of 300,000 ounces produced. At Marigold's sole option and discretion, it may exercise the right to reduce the existing royalty from 5% to 2.5% in accordance with the terms of the existing lease agreement.

Both Waseco and Marigold have the right to terminate this agreement in writing, at any time, with either mutual consent or unilaterally.

8. EXPLORATION AND EVALUATION EXPENDITURES (continued)

8.2 Quebec-Labrador Trough: The Company controls these uranium prospects which consist of multiple blocks. The Company has a joint venture agreement with ORANO and to date the Company's monetary contribution has been \$105,770 in addition to the underlying properties. The Company's joint venture partner advanced the Company funds to be used to pay for exploration expenditures, of which \$338,259 in advances is unspent at February 28, 2021. Waseco earns a 10% fee on exploration expenditures incurred, which is recognized as operator revenue in these financial statements. During the year ended February 28, 2021 the Company also charged \$15,000 in direct overhead expenses to this advance account, which has also been recognized as operator revenue. This direct overhead expense was for senior management time incurred to management this project over the five years ended February 28, 2021.

8.3 James Bay Lowlands: In 2003 Waseco acquired a 5% interest in a 2,440-acre claim block in proximity to the DeBeers Victor mine in the Attawapiskat Region in Northern Ontario. The property is subject to a 2% net smelter return ("NSR"), with the Company and its joint venture partners having a right of first refusal to buy out 1%.

9. CAPITAL STOCK

Share Capital: Waseco is authorized to issue an unlimited number of common shares. The issued and outstanding share capital consists of common shares.

Share-Based Payment Plan: Waseco established a stock option plan to provide additional incentive to its directors, officers, employees, service providers, or consultants in their efforts on behalf of the Company in the conduct of its affairs. The total number of shares which may be issued thereunder shall not exceed 10% of the then issued and outstanding shares of the Company. Under the terms of the plan, options shall vest immediately except those options granted to consultants or persons employed in investor relations activities, which are to vest over a twelve-month period. All options expire on the fifth anniversary from the grant date, unless specified otherwise in a Director's Resolution. The exercise price of each option issued shall not be less than the closing market price of the Company's stock on the day immediately preceding the date of grant.

9. CAPITAL STOCK (continued)

The following table summarizes stock options issued and outstanding:

<i>Period ended</i>	May 31, 2021	May 31, 2021	February 28, 2021	February 28, 2021
	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options
Outstanding at beginning of period	\$0.075	2,200,000	\$0.075	2,200,000
Transactions during the period				
Granted	\$0.075	2,400,000		
Exercised				
Expired	\$0.075	(2,200,000)		
Outstanding at end of the period	\$0.075	2,400,000	\$0.075	2,200,000
Exercisable at end of the period	\$0.075	2,400,000	\$0.075	2,200,000

On April 13, 2021, the Company issued 2.4 million options, including 1.6 million options to its Directors and 800,000 options to its consultants. These options are exercisable upon the grant date at \$0.075 per share and expire on April 9, 2024.

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the options granted during the period.

	April 13, 2021
Number of options granted	2,400,000
Weighted average information	
Exercise Price	\$0.075
Risk-free interest rate	0.30%
Life	3 year
Expected volatility	80%
Expected dividends	-

10. INCOME TAXES

At May 31, 2021, the Company has approximately \$1,056,900 (February 28, 2021 - \$1,056,900) in non-capital losses carried forward for which no benefit has been recognized in the accounts. If these losses are not utilized, they will expire between 2028 and 2042.

At February 28, 2021, the Company has \$5,900,000 (February 28, 2021- \$5,900,000) of unused CCEE, CCDE, FEDE and CFRE expenses and capital losses of \$312,400 (2019 - \$312,400). The tax benefits pertaining to these expenses are available to be carried forward indefinitely and similarly no benefit has been recognized in the accounts owing to the uncertainty of the Company's ever achieving taxable income against which these amounts might be utilized.

10. INCOME TAXES (continued)

The tax effect of temporary differences at the statutory Canadian income tax rate of 26.5%, at May 31, 2021 and February 28, 2021, that gave rise to the unrecorded deferred tax assets are exploration expenditures of \$1,575,000 and loss carry-forwards of \$322,000.

11. SEGMENTED INFORMATION

The Company has identified its reportable operating segments based on the information used by the President and Chief Financial Officer (considered to be the chief decision makers) to manage the business. The Company primarily manages its business by looking at the geographical location that separates its operations.

	May 31, 2021	May 31, 2021	February 28, 2021	February 28, 2021
As at	Current Assets	Total Assets	Current Assets	Total Assets
Canada	39,402	39,402	50,633	50,633
U.S.A.	21,416	21,416	-	22,522
	\$ 60,818	\$ 60,818	\$ 50,633	\$ 73,155

	May 31, 2021	May 31, 2021	February 28, 2021	February 28, 2021
As at	Current Liabilities	Total Liabilities	Current Liabilities	Total Liabilities
Canada	553,683	891,942	554,10	892,366
U.S.A.	21,416		22,52	22,522
	575,099	\$ 913,358	\$ 576,629	\$ 914,888

	3-months ended May 31, 2021	3-months ended May 31, 2021	Year ended February 28, 2021	Year ended February 28, 2021
Operating segment	Canada	U.S.A.	Canada	U.S.A.
Revenues	-	-	15,508	\$ 126,730
Expenses:				
Exploration and evaluation expenditures (recovery)	-	-	182	(16,315)
Other expenditures	76,906	-	91,	-
			91,745	(16,315)
Comprehensive Loss	\$ 76,906	-	\$ (76,237)	\$ 143,045