MG Capital Corporation

Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2020 and 2019
(Unaudited)

Contents

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, these unaudited condensed interim consolidated financial statements of DLP Resources Ltd. for the three months ended July 31, 2020 and from incorporation on June 7, 2019 to July 31, 2019 have been prepared by management and approved by the Board of Directors. These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements.

Robin Sudo

Chief Financial Officer

Bill Bennett

Audit Committee

September 29, 2020

MG Capital Corporation

Condensed Interim Consolidated Statement of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	Notes		July 31 2020		April 30 2020 (audited)
ASSETS					
Current					
Cash		$	1,717,298	$	414,728
Receivables			9,919		1,124
Prepaid expenses			91,883		18,054
Total Current Assets			1,819,100		433,906
Mineral properties	4		80,793		59,871
Reclamation deposits			38,100		38,100
Total Non-Current Assets			118,893		97,971
Total Assets		$	1,937,993	$	531,877
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Trade and other payables		$	220,724	$	26,568
Total Liabilities			220,724		26,568
Shareholders' Equity					
Share capital	6		3,025,662		1,579,751
Share-based payment reserves	7		355,596		188,314
Accumulated deficit			(1,663,989)		(1,262,756)
Total Shareholders' Equity			1,717,269		505,309
Total Liabilities and Shareholders' Equity		$	1,937,993	$	531,877

Refer Note 1 for Nature of basis and going concern, and Note 12 for Subsequent events

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

On behalf of the Board:

"James Stypula" **CEO/Director**

"Richard Zimmer" **Director**

MG Capital Corporation
Condensed Interim Consolidated Statement of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	Three months ended July 31, 2020	From Jun 7, 2019 to July 31, 2019
General and administrative			
Salaries and benefits		$ 81,574	$ -
Stock-based compensation	7	71,039	-
Consulting fee		11,674	-
Exploration costs	4	170,444	30,977
Office and administrative		13,792	50
Transfer agent and filing fees		11,752	-
Professional fees		30,366	26,883
Travel		10,592	347
Net loss and comprehensive loss for the period		$ 401,233	$ 58,257
Loss per share			
Weighted average shares outstanding - basic and diluted		50,860,120	31,136,000
Basic and diluted		$ 0.01	$ 0.00

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

MG Capital Corporation

Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of shares issued and outstanding	Share capital	Share-based payment - reserve	Deficit	Total share-holders' equity
Balance, June 7, 2019	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Shares issued for cash					
Finder shares	17,777,780	50,000	-	-	50,000
Issued for other consideration					-
In exchange for properties	14,334,720	40,000	-	-	40,000
Net loss for the period	-	-	-	(58,257)	(58,257)
Balance, July 31, 2019	**32,112,500**	**$ 90,000**	**$ -**	**$ (58,257)**	**$ 31,743**
Balance, April 30, 2020	**50,670,631**	**$ 1,579,751**	**$ 188,314**	**$ (1,262,756)**	**$ 505,309**
Shares issued for cash					
Private placement, net of issue costs (Note 6)	7,779,005	1,523,404	-	-	1,523,404
Share issued on warrants exercised (Note 7)	125,000	22,838	(4,088)	-	18,750
Issued for other consideration					
Finder's warrants (Note 7)	-	(100,332)	100,332	-	-
Stock-based compensation (Note 7)	-	-	71,039	-	71,039
Net loss for the period				(401,233)	(401,233)
Balnace, July 31, 2020	**58,574,636**	**$ 3,025,662**	**$ 355,596**	**$ (1,663,989)**	**$ 1,717,269**

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

MG Capital Corporation

Condensed Interim Consolidated Statement of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Notes	Three months ended July 31, 2020	From Jun 7, 2019 to July 31, 2020
Cash flows from operating activities			
Loss for the period		$ (401,233)	$ (58,257)
Adjustment to reconcile loss			
to net cash used in operating activities:			
Share-based payments	7	71,039	-
Changes in non-cash working capital balances:			
Increase in receivables		(8,795)	-
Increased in prepaid expenses		(73,829)	-
Increased in trade and other payables		194,156	50,046
Total cash outflows from operating activities		**(218,662)**	**(8,211)**
Cash flows from investing activities			
Purchase of mineral property	4	(20,922)	-
Total cash inflows from investing activities		**(20,922)**	
Cash flows from financing activities			
Proceeds from share issuance	7	1,672,289	50,000
Share issue costs	7	(148,885)	-
Proceeds from exercise of warrants	7	18,750	-
Total cash inflows from financing activities		**1,542,154**	**50,000**
Total increase in cash during the period		**1,302,570**	**41,789**
Cash and cash equivalents, beginning of period		**414,728**	**-**
Cash and cash equivalents, end of period		**$ 1,717,298**	**$ 41,789**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

MG Capital Corporation ("MG" or the "Company") is a publicly traded mineral exploration company and is pursuing opportunities relating to the acquisition and exploration of mineral property interests in British Columbia, Canada. The Company was incorporated on November 9, 2017 under the laws of Alberta. The registered office and records office of the Company is located at 10th Floor, 595 Howe St.., Vancouver, V6C 2T5, British Columbia, Canada. The Company's Head Office is located at #201 – 135 – 10th Ave. S., Cranbrook, V1C 2N1, British Columbia, Canada.

On November 14, 2019, the Company completed a reverse asset transaction pursuant to an amalgamation agreement with DLP Resources Inc. ("DLP"), a private mineral exploration company. Subsequently, DLP became the wholly owned subsidiary of MG. MG is trading on TSX Venture Exchange under the symbol of DLP.V as of November 24, 2019. For accounting purposes, the amalgamation is accounted for as a reverse asset acquisition as the shareholders of DLP acquired control of the consolidated entity. DLP is considered the acquiring and continuing entity and MG was the acquired entity (Note 5).

These consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern. Realization values may be substantially different from carrying values as shown and 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. At July 31, 2020, the Company had no source of operating revenues, had not yet achieved profitable operations and the Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital or through joint ventures, and/or proceeds from the disposition of a property. As at July 31, 2020, the Company has an accumulated deficit of $1,663,989 and has working capital of $1,598,376. The Company's current forecast indicates that it will have sufficient cash available for the next year to continue as a going concern.

The Company could also be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on it and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company and its ability to secure any necessary financing.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These unaudited condensed interim consolidated financial statements for the three months ended July 31, 2020 and 2019 (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Auditing Standard ("IAS") 34, Interim Financial Reporting ("IAS 34"). These Interim Financial Statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the year ended April 30, 2020, which have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB").

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited financial statements for the year ended April 30, 2020 except the change in accounting policy in Note 3.

These consolidated financial statements were approved for issue by the board of directors on Sep 29, 2020.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

These financial statements are presented in Canadian dollars.

The accounting policies have been applied consistently in these consolidated financial statements, unless otherwise indicated.

c) Basis of consolidations

The consolidated financial statements include the accounts of DLP Resources Inc. and MG Capital Corp. Legally, MG Capital Corp. owns DLP Resources Inc., however, for accounting and presentation purposes, DLP Resources Inc. is the parent entity. All intercompany transactions and balances are eliminated on consolidation.

d) Judgments and estimates

The preparation of financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The areas involving critical judgments in applying accounting policies have the biggest impact on the assets and liabilities recognized in the financial statements are:

- **Economic recoverability and probability of future economic benefits of mineral properties**
  Management has determined that acquisition costs, which are capitalized as mineral properties (Note 4), have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit that may include geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

- **Determination of fair value on contributed mineral property assets by related parties**
  Assets contributed to the Company by related parties are to be recorded at an exchange fair value comparable to an arms-length transaction. As there is no market value for mineral property assets contributed, judgement was used in determining the fair value measurement of the contributed mineral property assets. The Company determined the fair value of the mineral property assets is consistent with the fair value of Common Shares issued to the related parties in accordance with IFRS 2.

e) Going concern evaluation

As discussed in Note 1, these consolidated financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used and such adjustments could be material.

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

f) COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The pandemic significantly impacted the global markets and is expected to continue its impact in the foreseeable future. As a result, there has been significant volatility in global stock markets, commodity and foreign exchange markets. Various restrictions have been imposed on the conduct of business in many jurisdictions as well as on movement of people and goods. There is significant uncertainty surrounding COVID-19 and the extent and duration of its impact on demand and prices for the commodities that the Company intends to produce, on the Company's suppliers, on the Company's employees and contractors and on global financial markets. Assumptions about future commodity prices, exchange rates, and interest rates are subject to greater variability than normal, which could significantly affect the valuation of the Company's assets, both financial and non-financial.

3. CHANGE IN ACCOUNTING POLICY

Exploration and evaluation expenditures

Exploration and evaluation expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves.

Recognition and measurement

Exploration and evaluation expenditures include costs of conducting geological surveys, and exploratory drilling and sampling. Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license/permit to explore are expensed as incurred.

Costs related to the acquisition of an exploration asset are capitalized as mineral property assets. Exploration and evaluation expenditures related to the determination of a property or project's feasibility and exploration expenditures prior to the determination of the technical feasibility and commercial feasibility of a mineral property are expensed in the consolidated statements of loss and comprehensive loss as incurred. Exploration and evaluation expenditures after a mineral property has been deemed commercially feasible are capitalized as development assets.

To date the Company's mineral properties have not advanced past the exploration stage, accordingly, no amounts have been capitalized in respect of exploration and evaluation expenditures.

Exploration costs that do not relate to any specific property are expensed as incurred.

(Expressed in Canadian Dollars)

Impairment

Management tests for impairment when facts and circumstances indicate that the carrying value of mineral property asset might exceed recoverable amounts or when the technical feasibility and commercial viability of mineral resources is demonstrable.

The change in accounting policy has no impact on the condensed interim consolidated financial statements for the three months ended July 31, 2020.

4. MINERAL PROPERTIES

	Aldridge	Redburn	Hungry Creek	Strategy	DD	Moby Dick	Total
Cost	$ 41,250	$ 10,000	$ 7,549	$ 1,072	$ -	$ -	$ 59,871
Net book value, April 30, 2020	41,250	10,000	7,549	1,072	-	-	59,871
							-
Change in cost							-
Additions	-	-	-	-	20,000	922	20,922
	-	-	-	-	20,000	922	20,922
							-
Cost	41,250	10,000	7,549	1,072	20,000	922	80,793
Net book value, July 31, 2020	**$ 41,250**	**$ 10,000**	**$ 7,549**	**$ 1,072**	**$ 20,000**	**$ 922**	**$ 80,793**

On June 22, 2020, the Company signed a letter of intent to option up to 75% of PJX Resources' DD property. On July 20, 2020, a definitive option agreement was signed by both parties. The key terms of the definitive option agreement are consistent with the terms of the letter of intent announced on June 22, 2020, being as follows:

- The Company to earn a 50% undivided interest in the DD Property by spending $4 million in exploration expenditures and making a total of $250,000 cash payments to PJX over 48 months of the effective date of the agreement.
- The Company will have the right to earn an additional undivided 25% interest (75% total interest) by delivering a bankable commercial feasibility study on the DD Property within 96 months of the effective date of the agreement.
- Upon the Company's exercise of the option and acquisition of a 50% or 75% interest in the DD Property, as applicable, the parties will enter into a joint venture agreement for the further development of the Property.

On June 26, 2020, the Company staked the Moby Dick claim totaling 527.27 ha which adjoins the DD Property to the east. The property is 100% owned by the Company.

For three month ended July 31, 2020, the Company incurred $170,444 exploration cost on its properties. The following table summarized the exploration costs incurred:

(Expressed in Canadian Dollars)

For three month ended July 31, 2020:

Exploration Costs	General	Aldridge 1	Aldridge 2	Redburn	Hungry Creek	DD	Moby Dick	Total
Geology-Fieldwork	$ -	$ 12,638	$ -	$ 972	$ 13,425	$ 14,975	$ -	$ 42,010
Geology-Transport/Fuel	-	-	-	-	15,752	-	-	15,752
Geophysics	-	-	-	-	7,906	-	-	7,906
Geochemistry	-	2,769	103	103	185	-	-	3,160
Drilling	-	1,487	1,487	-	2,045	92,935	-	97,954
Technical Report	-	-	-	-	-	-	-	-
Maps & Reproductions	-	984	125	250	100	257	200	1,916
Others	1,746	-	-	-	-	-	-	1,746
Total	**$ 1,746**	**$ 17,878**	**$ 1,715**	**$ 1,325**	**$ 39,413**	**$ 108,167**	**$ 200**	**$ 170,444**

For the period from June 7, 2019 to July 31, 2019:

Exploration Costs	General	Aldridge 1	Aldridge 2	Redburn	Hungry Creek	DD	Moby Dick	Total
Geology-Fieldwork	$ -	$ 3,609	$ 9,092	$ -	$ -	$ -	$ -	$ 12,701
Geology-Transport/Fuel	-	-	-	-	-	-	-	$ -
Geophysics	-	-	-	-	-	-	-	$ -
Geochemistry	-	-	-	1,850	-	-	-	$ 1,850
Technical Report	-	6,757	3,638	-	-	-	-	$ 10,395
Maps & Reproductions	-	304	65	95	-	-	-	$ 464
Others	5,567	-	-	-	-	-	-	$ 5,567
Total	**$ 6,118**	**$ 10,669**	**$ 12,795**	**$ 1,945**	**$ -**	**$ -**	**$ -**	**$ 30,977**

Aldridge 1 (RJ) and Aldridge 2 (JR) Properties

The Aldridge 1(RJ) and Aldridge 2 (JR) mineral properties are separate claim blocks located near Cranbrook B.C. in the East Kootenay region of the province. The Aldridge 2 property is 6 claims totaling 1,939.5 hectares; the Aldridge 1 property is 15 claims totaling 3,231.2 hectares. Both properties are owned 100% by the Company and have no ongoing commitments other than the future commitment of the net smelter royalty commitment noted in Note 8.2.

On March 1, 2020, the Company entered into the Earn-In Agreement which added the four (4) Son of Captain claims totaling 126.75 ha to Aldridge 1 (RJ) and the Liger claim totaling 84.31 ha to Aldridge 2.

On March 15, 2020, the Company staked claims that increased the size of the Aldridge 1 property by 190 hectares to a total of 3,231.2 hectares.

Redburn Creek Property

Redburn Creek claims are 12 claim blocks totaling 5,359.5 hectares near Golden, B.C.

The property is owned 100% by the Company and has no ongoing commitments.

Hungry Creek Property

Hungry Creek Property is 4,324.2 hectares in size and is located west of Kimberley, B.C. The Hungry Creek Property is 100% owned by the Company.

On March 1, 2020, the Company entered into the Earn-In Agreement which added the Hungry Miner claim totaling 62.67 ha, to the property.

Strategy Property claim

The stand-alone Strategy claim is 211 hectares in size is located west of the Aldridge 1 property

On March 15, 2020, the Company staked claims that increased the size of the Strategy property by 211 hectares which doubled its size to a total of 422 hectares.

DD Property

The DD property, totaling 2,404.2 ha, is under option from PJX Resources Inc. where in the Company can earn up to 75% of the property.

Moby Dick Property

The Moby Dick property, totaling 527.27 ha, adjoins the DD Property to the east. The property is 100% owned by the Company. An MT geophysical survey will be completed on the property during the 2020 field season.

5. REVERSE TAKEOVER

On November 14, 2019, the Company completed a reverse asset acquisition pursuant to an amalgamation agreement with DLP, and 1224395 B.C. Ltd., a wholly owned subsidiary of MG (the "Amalgamation Agreement").

Pursuant to the terms of the Amalgamation Agreement, DLP amalgamated with 1224395 B.C. Ltd. (the "Amalgamation"). The amalgamated entity became a wholly-owned subsidiary of MG, with the shareholders of DLP having been issued one common share of MG for every one DLP common share held immediately prior to the completion of the Amalgamation. The transaction resulted in MG as the listed issuer (the "Resulting Issuer"), owning 100% of the common shares of DLP.

The Amalgamation (and the other transactions contemplated by the Amalgamation Agreement) constituted the qualifying transaction of MG, as defined in the policies of the TSX Venture Exchange.

For accounting purposes, the Amalgamation is accounted for as a reverse acquisition ("RTO") by DLP. Legally, MG owns DLP, however, for accounting and presentation purposes, DLP is the parent entity. These consolidated financial statements reflect a continuation of the financial position, comprehensive loss, changes in equity and cash flows of DLP.

Without significant operating activities, MG did not meet the accounting definition of a business pursuant to IFRS 3, Business combinations, and therefore the transaction was accounted for as an acquisition of the net assets of MG by DLP in exchange for shares in the Resulting Issuer. The excess of the fair value of the consideration provided over the net assets received was expensed in the current period as listing costs.

(Expressed in Canadian Dollars)

As part of the transaction, the Company issued 1,925,000 common shares to Haywood Securities Inc. at fair value of $161,700, being the value of the Company's shares on date of grant. (See Note 6).

The acquisition cost and allocation of assets and liabilities are presented as follow:

Acquisition costs:		**Fair value**
5,510,000 shares issued to former MG shareholders	$	462,840
Finder's fee		161,700
	$	624,540

Net assets acquired:		
Cash	$	134,557
Accounts payable and accruals		(62,566)
Listing costs		552,549
	$	624,540

6. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Class A Common Shares with no par value.

During the period from incorporation on June 7, 2019 to April 30, 2020, the Company issued 17,777,780 Common Shares for $50,000 in cash, including 7,111,110 Common Shares to 2 directors in exchange for $20,000 cash. Another 14,222,220 Common Shares were issued, in exchange for 3 properties, at a fair value of $40,000. The properties were transferred to the Company by 4 parties of which 2 are directors/key management.

Private Placement

On October 11, 2019, the Company completed a private placement and raised $1,152,007 by issuing 9,800,000 units (the "Unit") at $0.10 per unit and 1,323,131 flow through shares ("FT Share") at $0.13 per share. Each Unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one additional common share at an exercise price of $0.15 per common share for a period of 2 years from the date of issue, subject to the Acceleration Right (as defined below). Each FT Share will qualify as a "flow-through share" as defined in s. 66(15) of the Income Tax Act (Canada). As of April 30, 2020, the Company incurred $337,492 of qualified flow through expenditures and recognized a $39,694 flow through share premium recovery on the statement of comprehensive loss.

The "Acceleration Right" means the Company has a right to accelerate the expiry date of the Warrants if the closing price of the shares of the Company on the TSXV, or any other stock exchange on which such shares are then listed, is at a price equal to or greater than $0.25 for a period of twenty consecutive trading days.

In connection with the private placement, the Company paid the finders cash fees and other share issuance fees in the amount of $70,038 and issued 574,042 non-transferable warrants ("Compensation Warrants"). The Compensation Warrants are exercisable at a range of $0.10 to $0.13 into common shares of the Company for a period of 2 years from the closing date of the private placement. The Compensation Warrants were assigned a fair value of $28,082.

(Expressed in Canadian Dollars)

In connection with its role in connecting DLP and the Company in contemplation of the Transaction, there was a finder's fee payable to Haywood Securities Inc. ("Haywood") to be satisfied through delivery to Haywood of $192,500, through the issuance of 1,925,000 common shares of the Company at a price of $0.10 per common Share. (see Note 5).

On March 25, 2020, the Company issued 112,500 common shares at $0.10 per share for the first tranche of the Earn-In Agreement arrangement.

On July 29, 2020, the Company closed a non-brokered private placement and issued 2,922,051 common shares of the Company at a price of $0.19 per common share and 4,856,954 flow-through common shares of the Company at a price of $0.23 per flow-through share, for combined gross proceeds of $1,672,289.

In connection with the placements, the Company paid an aggregate cash commission of $116,384 and issued an aggregate of 541,146 non-transferable common share purchase warrants of the Company to certain eligible finders. Each finder's warrant will entitle the holder thereof to acquire one common share of the Company for an exercise price of $0.25 per share for a period of two years from closing of the financing. The Company also incurred other share issue costs of $32,501.

7. WARRANTS AND OPTIONS

1) Warrants

On July 15 and 29, 2020, a total of 125,000 warrants, entitling the warrant holder to purchase one common share per one warrant, were exercised at $0.15 per share for total proceeds of $18,750.

On July 29, 2020, in connection with the private placement, the Company issued an aggregate of 541,146 non-transferable warrants to certain eligible finders.

As of July 31, 2020, the Company had outstanding and exercisable warrants as follows:

	Warrants	Exercise price (C$)	Fair value (C$)	Expiry Date
Outstanding at June 7, 2019				
Issued for private placement	4,900,000	0.15	160,232	November 14, 2021
Issued for finders	525,000	0.10	25,988	November 14, 2021
Issued for finders	49,042	0.13	2,094	November 14, 2021
Outstanding at April 30, 2020	**5,474,042**	**0.15**	**188,314**	
Issued for finders	541,146	0.25	100,332	July 28, 2022
Warrants exercised	(125,000)	0.15	(4,088)	
Outstanding at July 31, 2020	**5,890,188**	**0.15**	**284,558**	

The Company uses the Black-Scholes option pricing model to estimate the fair value of the finder's warrants. The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the expected term of the finder's warrants issued. The weighted average assumptions used in this pricing model, and the resulting weighted average fair values per finder's warrant for the finder's warrants issued for three months ended July 31, 2020 were as follows:

(Expressed in Canadian Dollars)

Risk-free rate:	0.26%
Expected life:	2 years
Expected volatility:	121.52%
Expected dividends:	Nil
Weighted average fair value per warrant:	$0.1854

2) Stock Options

The Company has an incentive Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria.

During the three months ended July 31, 2020, the Company granted 1,150,000 incentive stock options to its employee and director with an weighted average exercise price of $0.17 for a five-year period, from the date of grant, in accordance with the terms of the Company's stock option plan.

The total stock-based compensation expense for the three months ended July 31, 2020 was $71,039 (June 7 to July 31, 2019: $Nil). The unrecognized compensation cost for non-vested share options at July 31, 2020 was $108,568 (April 30: $Nil).

As of July 31, 2020, the Company had outstanding and exercisable options as follows:

	Stock Options	Weighted average exercise price (C$)
Outstanding at April 30, 2020	-	-
Granted	1,150,000	0.17
Outstanding at July 31, 2020	**1,150,000**	**0.17**

Exercise price	Number outstanding	Weighted-average remaining contractual life (years)	Number exercisable
$0.15	1,000,000	4.84	333,333
$0.29	150,000	5.00	50,000
	1,150,000	4.86	333,333

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock-based compensation. The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the expected term of the option granted. The weighted average assumptions used in this pricing model, and the resulting weighted average fair values per option for the options granted during the three months ended July 31, 2020 were as follows:

(Expressed in Canadian Dollars)

Risk-free rate:	0.31% to 0.39%
Expected life:	5 years
Expected volatility:	109% to 122%
Expected dividends:	Nil
Weighted average fair value per warrant:	$0.1562

8. RELATED PARTY TRANSACTIONS

1) The Company's related parties include key management personnel and directors and any transactions with such parties for goods and/or services are made on regular commercial terms and are considered to be at arm's length. Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and comprise the Chief Executive Officer, Chief Financial Officer and the President of the Company. During the three months ended July 31, 2020, the Company paid $81,574 in salaries and benefits to key management personnel.

2) In connection with the mineral property assets to the Company (Note 4), 2 directors shall retain and be entitled to a royalty (the "Royalty") entitling 2 directors to 0.5% each (total of 1%) of all Net Smelter Returns on the area currently comprising the mineral claims named "JR 1", "JR 2" and "JR 3" (collectively, the "Royalty Area") in accordance with the terms and conditions set out. The Royalty shall constitute an interest in land and will be a covenant running with the Royalty Area.

9. EARNING/LOSS PER SHARE

		Three months ended July 31, 2020		**From June 7 to July 31, 2019**
Loss attributable to ordinary shareholders	$	401,233	$	58,257
Weighted average number of shares outstanding - basic		50,860,120		31,136,000
Basic and diluted loss per share	**$**	**0.01**	**$**	**0.00**

10. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Risk Management

The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Fair value

The Company's consolidated financial instruments include cash and trade and other payables. *IFRS 7 Financial Instruments: Disclosures* ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash and trade and other payables approximate their respective fair values due to their short-term nature.

Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash in a major Canadian bank. The carrying amount of financial assets represents the maximum credit exposure.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The Company does not have any exposure to interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing other liabilities. Most of the Company's financial liabilities are due within one year.

11. CAPITAL MANAGEMENT

The Company monitors its cash and Common Shares as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations. The Company is not exposed to any externally imposed capital requirements.

12. SUBSEQUENT EVENTS

1) Exercise of warrants

On August 28, 2020, a total of 100,000 warrants, entitling the warrant holder to purchase one common share per one warrant, were exercised at $0.15 per share for total proceeds of $15,000. On September 23, 2020, a total of 100,000 warrants, entitling the warrant holder to purchase one common share per one warrant, were exercised at $0.15 per share for total proceeds of $15,000. Also on September 23, a total of 95,000 warrants, entitling the warrant holder to purchase one common share per one warrant, were exercised at $0.15 per share for total proceeds of $14,250.

2) Option agreement – NZOU Property

On August 17, 2020, the Company entered into an option agreement with 453999 BC Ltd. in relation to the NZOU (Na-zoo) property located contiguous to the DD and Moby Dick properties. The Option or has granted to the Company the option to earn a 100% legal and beneficial interest in and to the NZOU Property, totaling 695.7 ha.

Under the terms of the Option Agreement, the Company will earn a 51% interest in the NZOU Property by:

- incurring exploration expenditures of $15,000 by December 1st, 2020;
- the Company issuing 75,000 common shares of the Company (the "Shares") to the Optionor within 20 days of the date upon which the TSX Venture Exchange approves the Option Agreement;
- the Company issuing 75,000 Shares to the Optionor by February 28th, 2021;
- incurring exploration expenditures of $50,000 by December 31st, 2021;
- the Company issuing 75,000 Shares to the Optionor by February 28th, 2022; and
- the Company issuing 75,000 Shares to the Optionor by February 28th, 2023.

The Company will earn a 75% undivided interest in the NZOU Property by making a cash payment of $100,000 to the Optionor by December 31st, 2024. The Option will be fully exercised, and DLP will accordingly earn a 100% undivided interest in the NZOU Property, upon the Company issuing 100,000 Shares to the Optionor by December 31st, 2025.

Following the exercise of the Option, the Optionor will be granted a royalty on the NZOU Property (the "Royalty"), being equal to 2.0% of Net Smelter Returns on the NZOU Property. The Company will be entitled at any time and from time to time to purchase up to 50% of the Royalty (being equal to 1.0% of Net Smelter Returns on the NZOU Property) from the Optionor at a purchase price of C$1,000,000.

The Company may, at its option, accelerate the cash payments and issuances of the Shares described above in order to fully exercise the Option prior to December 31, 2025.

3) Acceleration of warrant expiry date

The Company announced on September 8, 2020, that the expiry date for the warrants issued on November 14, 2019, with regard to its non-brokered private placement, has been accelerated to 30 days from September 8, 2020 (for a new Expiry Date of October 8, 2020). The acceleration of the Expiry Date is due to a Trigger Event (as defined in the Warrant certificates), which occurred due to the price of the common shares being equal to or greater than $0.25 for a period of 20 consecutive trading days, thereby automatically accelerating the Expiry Date of the Warrants. The Warrants that are unexercised will expire and be of no further value at 4:30 p.m. PDT on October 8, 2020.