Condensed Interim Financial Statements

For the three months ended December 31, 2020

(Unaudited - Expressed in Canadian Dollars)

The accompanying unaudited condensed interim financial statements of Core Assets Corp. for the three months ended December 31, 2020, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

Core Assets Corp.

Condensed Interim Statements of Financial Position
As expressed in Canadian dollars
(Unaudited – prepared by management)

		December 31, 2020		September 30, 2020
Assets				
Current				
Cash	**$**	**209,308**	$	232,832
Sales taxes and other receivables		**8,976**		6,536
Prepaid expenses		**4,233**		5,821
		222,517		245,189
Exploration and evaluation assets (Note 6 and Note 10)		**371,135**		273,652
Reclamation bonds (Note 5)		**13,500**		13,500
	$	**607,152**	$	532,341
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**2,418**	$	5,003
Due to related parties (Note 10)		**71,031**		30,606
		73,449		35,609
Shareholders' Equity				
Share capital (Note 8)		**764,259**		674,259
Reserves (Note 9)		**113,310**		-
Deficit		**(343,866)**		(177,527)
		533,703		496,732
	$	**607,152**	$	532,341

Approved and authorized by the Board of Directors on February 12, 2021:

"Scott Rose"	*"David Hodge"*
Director	Director

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

Core Assets Corp.

Condensed Interim Statements of Operations and Comprehensive Loss
For the three months ended December 31,
As expressed in Canadian dollars
(Unaudited – prepared by management)

		2020		2019
Expenses				
Accounting and audit fees	$	**-**	$	300
Administrative fees (Note 10)		**40,000**		-
Advertising and website		**908**		4,610
Filing and transfer agent fees		**5,166**		-
Legal fees		**4,209**		5,341
Office, telephone and miscellaneous		**1,552**		588
Salaries and consulting fees (Note 10)		**1,194**		5,105
Share-based payments (Note 9)		**113,310**		-
Net and comprehensive loss for the period	**$**	**166,339**	$	15,944
Basic and diluted loss per share	$	**0.01**	$	0.00
Weighted average number of common shares outstanding – basic and diluted		**21,274,134**		17,694,138

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

Core Assets Corp.
Condensed Interim Statements of Changes in Equity
For the three months ended December 31,
As expressed in Canadian dollars
(Unaudited – prepared by management)

	Number of Shares		Share Capital		Reserves		Shares Subscribed		Deficit		Total
Balance, September 30, 2019	**17,596,100**	**$**	**497,160**	**$**	**-**	**$**	**25,825**	**$**	**(18,028)**	**$**	**504,957**
Shares issued for cash (Note 8)	426,000		21,300		-		(20,550)		-		750
Share issuance costs	-		(2,462)		-		-		-		(2,462)
Net loss for the period	-		-		-		-		(15,944)		(15,944)
Balance, December 31, 2019	**18,022,100**	**$**	**515,998**	**$**	**-**	**$**	**5,275**	**$**	**(33,972)**	**$**	**487,301**
	Number of Shares		**Share Capital**		**Reserves**		**Shares Subscribed**		**Deficit**		**Total**
Balance, September 30, 2020	**21,216,600**	**$**	**674,259**	**$**	**-**	**$**	**-**	**$**	**(177,527)**	**$**	**496,732**
Shares issued for property (Note 8)	1,000,000		90,000		-		-		-		90,000
Share-based payments (Note 9)	-		-		113,310		-		-		113,310
Net loss for the period	-		-		-		-		(166,339)		(166,339)
Balance, December 31, 2020	**22,216,600**	**$**	**764,259**	**$**	**113,310**	**$**	**-**	**$**	**(343,866)**	**$**	**533,703**

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

Core Assets Corp.
Condensed Interim Statements of Cash Flows
For the three months ended December 31,
As expressed in Canadian dollars
(Unaudited – prepared by management)

		2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss for the period	**$**	**(166,339)**	$	(15,944)
Add items not affecting cash:				
Share-based payments		**113,310**		-
Changes in non-cash working capital items related to operations:				
Sales taxes and other receivables		**(2,440)**		(1,107)
Prepaid expenses		**1,588**		-
Due to related parties		**40,425**		-
Accounts payable and accrued liabilities		**(2,585)**		(21,043)
Net cash flows from (used in) operating activities		**(16,041)**		(38,094)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Issue of common shares, net		**-**		75
Share issuance costs		**-**		(2,462)
Net cash flows from financing activities		**-**		(1,712)
CASH FLOWS USED IN INVESTING ACTIVITIES:				
Exploration and evaluation costs		**(7,483)**		(3,842)
Net cash flows used in investing activities		**(7,483)**		(3,842)
Increase (decrease) in cash		**(23,524)**		(43,648)
Cash, beginning of period		**232,832**		284,798
Cash, end of period	**$**	**209,308**	$	241,150

Supplemental cash flow information (Note 12)

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Core Assets Corp. ("Core" or the "Company") was incorporated on April 20, 2016, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company is in the exploration stage and has interests in properties located in British Columbia ("BC"), Canada. The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

On July 8, 2020, the Company received a final receipt from the British Columbia Securities Commission for its Long Form Prospectus dated July 7, 2020. On July 27, 2020, the Company's shares were listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CC".

These financial statements were authorized for issue by the Audit Committee and Board of Directors on February 12, 2021.

The Company has no source of operating cash flows, has not yet achieved profitable operations, has working capital of $149,068 at December 31, 2020 (September 30, 2020: $209,580), has accumulated losses since its inception, expects to incur further losses in the development of its business, and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern. In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company's exploration and development programs. There is no assurance that these initiatives will be successful.

In the future, the Company may raise additional financing through the issuance of share capital or shareholder loans, however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favourable to the Company. These financial statements do not include any adjustments to the carrying values of assets and liabilities, the reported expenses and statement of financial position classifications that might be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management is actively seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

  Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS - continued

- Provisions for reclamation

  Management assesses its provision for reclamation on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

- Going concern

  The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

4. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed interim consolidated financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended September 30, 2020. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2020.

Certain new standards, interpretations and amendments to existing standards issued by the IASB or IFRIC may have become mandatory or have been issued subsequent to the year ended September 30, 2020. However, none have been identified as applicable or are consequential to the Company.

5. RECLAMATION BOND

At December 31, 2020, the Company has a reclamation security deposit of $13,500 (September 30, 2020: $13,500) with the Ministry of Energy, Mines and Petroleum Resources for the proposed exploration program on the Blue Property.

6. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's property interests and related spending commitments:

Blue Property

On December 10, 2018, the Company signed an agreement with Zimtu Capital Corp. ("Zimtu"), a related party (see Note 9), whereby the Company can earn a 100% interest in and to the Blue Property, in British Columbia. For its participation in the transaction, the Company will pay $100,000 ($50,000 paid) and issue 3,000,000 common shares of the Company in staged payments (1,000,000 shares with a fair value of $50,000 were issued during the year ended September 30, 2019 and 1,000,000 with a fair value of $90,000 were issued during the three months ended December 31, 2020) over three years. Zimtu will retain a 2% Net Smelter Return (NSR) royalty. The Company has the right to buy back 1% of the NSR within 5 years of the agreement by paying $1,000,000.

In August 2020, the Company acquired 8 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu ($23,025). Zimtu will retain a 2% NSR royalty, of which the Company shall have the right to buy back 1% within 5 years of the agreement by paying $1,000,000. The addition of these claims expanded and consolidated the Blue Property and the Silver Lime Property into one contiguous property that will continue to be called the Blue Property.

Expressed in Canadian dollars

6. EXPLORATION AND EVALUATION ASSETS - continued

Silver Lime Property

On August 1, 2019, the Company signed an agreement with Zimtu Capital Corp. ("Zimtu"), a related party (see Note 9), whereby the Company can earn a 100% interest in and to the Silver Lime Property, in British Columbia by issuing 1,000,000 common shares (issued) of the Company. Zimtu will retain a 2% Net Smelter Return (NSR) royalty. The Company has the right to buy back 1% of the NSR within 5 years of the agreement by paying $1,000,000.

The Company originally acquired the Silver Lime property for the purpose of resale and was recorded in accordance with IAS 38. Subsequent to the purchase, the Company acquired additional claims that combine the Blue Property and the Silver Lime Property into one contiguous property and the Silver Lime Property is now considered part of the Company's Blue Property.

		Blue Property		Silver Lime Property		Total: Blue Property
Balance, September 30, 2019	$	184,902	$	-	$	184,902
Acquisition costs – cash		23,025		-		23,025
Transfer of property from mining rights held		-		50,000		50,000
Geological expenses		16,890		-		16,890
Reports and other		13,157		-		13,157
BC METC credit		(14,322)		-		(14,322)
Balance, September 30, 2020	$	223,652	$	50,000	$	273,652
Acquisition costs – shares		90,000		-		90,000
Geological expenses		4,483		-		4,483
Reports and other		3,000		-		3,000
Balance, December 31, 2020	$	321,135	$	50,000	$	371,135

8. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value.

b) Issued and outstanding: The total issued and outstanding shares of the Company total 22,216,600 as at December 31, 2020 (September 30, 2020: 21,216,600).

During the three months ended December 31, 2020:

i. On December 10, 2020, 1,000,000 common shares with a fair value of $90,000 were issued in connection with the Blue Property.

During the year ended September 30, 2020:

i. On October 8, 2019, 426,000 common shares were issued at $0.05 per share for gross proceeds of $21,300.

ii. On January 22, 2020, 115,500 common shares were issued at $0.05 per share for gross proceeds of $5,775.

Expressed in Canadian dollars

8. SHARE CAPITAL - continued

During the year ended September 30, 2020:

iii. On March 5, 2020, 1,100,000 common shares were issued at $0.05 per share for gross proceeds of $55,000.

iv. On June 9, 2020, 1,860,000 common shares were issued at $0.05 per share for gross proceeds of $93,000.

v. On June 24, 2020, 136,000 common shares were issued at $0.05 per share for gross proceeds of $6,800.

vi. On June 24, 2020, 17,000 common shares previously issued and priced at $0.05 per share for gross proceeds of $850 were cancelled and returned to treasury.

9. SHARE-BASED PAYMENTS

The Company has a stock option plan for officers, directors, employees and consultants. Options are granted with an exercise price determined by the Board of Directors, which may not be less than 25% of the Company's stock price on the date of the grant. Options granted to directors, employees and consultants other than consultants engaged in investor relations activities will vest immediately. However, for options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

The following is a summary of option transactions under the Company's stock option plan for the three months ended December 31, 2020 and the year ended September 30, 2020:

	December 31, 2020		September 30, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	-	$ -	-	$ -
Granted	1,935,000	0.10	-	-
Balance, end of period	1,935,000	$ 0.10	-	$ -

The following stock options were outstanding and exercisable as at December 31, 2020:

Expiry Date	Exercise Price	Number of Options	Contractual Life (Years)
December 21, 2022	$0.10	1,935,000	1.97
Total Outstanding		1,935,000	
Total Exercisable		-	

On December 21, 2020, the Company granted an aggregate of 1,935,000 stock options to certain directors, officers, employees and consultants of the Company for the purchase of up to 1,935,000 common shares of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 2 years at a price of $0.10 per common share and vests immediately. During the three months ended December 31, 2020, $113,310 (December 31, 2019 - $nil) was charged to share-based payments.

Expressed in Canadian dollars

9. SHARE-BASED PAYMENTS - continued

The following assumptions were used for the Black-Scholes pricing model calculations:

	December 21, 2020
Risk-free interest rate	0.23%
Expected stock price volatility	150.3%
Expected option life in years	2 years
Dividend rate	Nil

10. RELATED PARTY TRANSACTIONS

During the three months ended December 31, 2020 and 2019, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

	Three months ended December 31,	
	2020	**2019**
Key management compensation*	**$**	**$**
Exploration and evaluation asset expenditures	6,750	3,750
Wages to key management	750	4,250
Administrative fees	40,000	-
Share-based payments	87,837	-
Total	135,337	8,000

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

As at December 31, 2020, there was $71,031 (September 30, 2020: $30,606) due to related parties of the Company.

Zimtu Capital Corp. ("Zimtu") is a company with common directors and management. Zimtu provides key management services to the Company and hold 37% of the Company's shares. On August 1, 2020, the Company entered into a twelve-month Management Services Agreement ("Agreement") with Zimtu. Under the terms of the Agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of $12,500 per month. See also Note 6.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm's length basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

11. FINANCIAL INSTRUMENTS

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is subject to credit risk for a maximum of the amounts shown on the statements of financial position.

At December 31, 2020, the Company held cash of $209,308 (September 30, 2020: $232,832) with Canadian chartered banks.

b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at December 31, 2020, the Company has total current liabilities of $73,449 (September 30, 2020: $35,609). Management intends to meet these obligations by raising funds through future financings.

c) Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

i) *Currency Risk*
Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is in the exploration stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

ii) *Commodity Price Risk*
Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

11. FINANCIAL INSTRUMENTS - continued

iii) *Interest Rate Risk*
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates.

d) Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at December 31, 2020, the Company's shareholders' equity was $533,703 (September 30, 2020: $496,732). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties. The Company is not subject to any externally imposed capital requirements and there were no changes in the Company's approach to capital management during the year.

12. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash transactions were:

a) At December 31, 2020, included in due to related parties was $2,250 (December 31, 2019: $nil) of exploration and evaluation asset costs and $750 (December 31, 2019: $nil) of salaries and wages.

b) During the three months ended December 31, 2020, the Company issued 1,000,000 common shares, valued at $90,000, that were capitalized to exploration and evaluation asset costs.