KAINANTU RESOURCES PTE. LTD.

CONSOLIDATED FINANCIAL STATEMENTS

(Presented in United States Dollars)

For the period from incorporation on August 21, 2019 to December 31, 2019
and January 1, 2020 to November 30, 2020

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Kainantu Resources Pte. Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Kainantu Resources Pte. Ltd. (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2020 and December 31, 2019, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the period ended November 30, 2020 and the period from incorporation on August 21, 2019 to December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020 and December 31, 2019, and its financial performance and its cash flows for the period ended November 30, 2020 and the period from incorporation on August 21, 2019 to December 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

March 30, 2021

KAINANTU RESOURCES PTE. LTD.

Consolidated Statements of Financial Position

(Presented in United States Dollars)

As at	Note		November 30, 2020		December 31, 2019
ASSETS					
Current					
Receivables	6	$	11,097	$	2,974
Deferred financing costs	18		246,408		-
Total Current Assets			**257,505**		**2,974**
Non-Current					
Property and equipment	7		461,626		-
Exploration and evaluation assets	8		2,711,344		-
Total Non-Current Assets			**3,172,970**		**-**
Total Assets		$	**3,430,475**	$	**2,974**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities		$	421,454	$	2,355
Due to related parties	14		445,057		-
Total Current Liabilities			**866,511**		**2,355**
Shareholders' Equity					
Share capital	9		2,802,177		2,169
Accumulated other comprehensive income			(5,748)		34
Deficit			(232,465)		(1,584)
Total Shareholders' Equity			**2,563,964**		**619**
Total Liabilities and Shareholders' Equity		$	**3,430,475**	$	**2,974**

Nature of business	1
Going concern	2
Subsequent events	18

Approved and authorized by the board of directors on March 29, 2021:

"Matthew Salthouse"		"Bart Lendrum"	
Matthew Salthouse	Director	Bart Lendrum	Director

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

KAINANTU RESOURCES PTE. LTD.

Consolidated Statements of Loss and Comprehensive Loss

(Presented in United States Dollars)

For the Period	**Note**		**January 1, 2020 to November 30, 2020**		**August 21, 2019 to December 31, 2019**
EXPENSES					
General and administrative		$	3,710	$	-
Professional and consulting fees			200,533		1,242
Marketing and investor relations			22,868		-
Formation expenses			4,324		342
Foreign exchange			(554)		-
Loss for the Period			**(230,881)**		**(1,584)**
Foreign exchange translation			(5,782)		34
Comprehensive Loss for the Period		$	**(236,663)**	$	**(1,550)**
Basic and diluted net loss per common share		$	(0.023)	$	(1.056)
Weighted average number of common shares outstanding – basic and diluted	11		10,028,145		1,500

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

KAINANTU RESOURCES PTE. LTD.

Consolidated Statements of Cash Flows

(Presented in United States Dollars)

For the period	Note		January 1, 2020 to November 30, 2020		August 21, 2019 to December 31, 2019
OPERATING ACTIVITIES					
Loss for the period		$	(230,881)	$	(1,584)
Foreign exchange			(5,782)		34
Changes in non-working capital items:					
Receivables			(5,441)		(805)
Accounts payable and accrued liabilities			175,046		2,355
Due to related parties			67,058		-
Net Cash From Operating Activities			**-**		**-**
Change in cash			**-**		**-**
Cash, beginning the period			**-**		**-**
Cash, end of period		**$**	**-**	**$**	**-**
Supplementary Cash Flow Information	**17**				

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

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KAINANTU RESOURCES PTE. LTD.

Consolidated Statements of Changes in Shareholders' Equity
For the period from incorporation on August 21, 2019 to December 31, 2019 and January 1, 2020 to November 30, 2020
(Presented in United States Dollars)

	Notes	Share Capital Number of shares	Share Capital Amount	Accumulated Other Comprehensive Income / (Loss)	Deficit	Total Shareholders' Equity
			$	$	$	$
Balance – Incorporation August 21, 2019		-	-	-	-	-
Share issuance – August 21, 2019	9	1,500	2,169	-	-	2,169
Loss for the period		-	-	-	(1,584)	(1,584)
Foreign exchange translation		-	-	34	-	34
Balance – December 31, 2019		**1,500**	**2,169**	**34**	**(1,584)**	**619**
Share issuance - June 1, 2020	9	2,200,000	8	-	-	8
Share issuance - June 1, 2020	9	17,798,500	2,800,000	-	-	2,800,000
Loss for the period		-	-	-	(230,881)	(230,881)
Foreign exchange translation		-	-	(5,782)	-	(5,782)
Balance – November 30, 2020		**20,000,000**	**2,802,177**	**(5,748)**	**(232,465)**	**2,563,964**

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

(Presented in United States Dollars)

1. NATURE OF BUSINESS

Kainantu Resources Pte. Ltd. ("KRPL" or the "Company") was incorporated in Singapore on August 21, 2019. The Company incorporated a subsidiary Kainantu Resources Limited (together "the Group") on February 1, 2020 for the purpose of acquiring mineral exploration properties in Papua New Guinea. The principal office is #17-00 16 Collyer Quay, Singapore 049318.

On June 1, 2020, a Restructure Deed was executed whereby, pursuant to an option and sale agreement ("Option and Sale Agreement"), certain assets and related expenditures on mineral exploration properties were acquired by the Group. The total consideration of $2.8 million for the purchase was settled through a promissory note to Pacific Energy Consulting Limited ("PEC") which in turn assigned the promissory note to Asia Pacific Energy Ventures Pte. Ltd. The promissory note was then settled with issuance of 17,798,500 shares in the Company (Note 9).

This transaction has been accounted for as an asset acquisition as at the time of the transaction, as the group of assets acquired did not meet the definition of a business. The consideration paid has been allocated to the acquired assets based on their fair value at the date of acquisition. The purchase price of the acquisition has been primarily allocated as follows:

Purchase price	
Promissory note issued	$ 2,800,000
Net assets acquired	
Deposits	$ 5,012
Property and equipment	464,296
Exploration and evaluation assets	2,330,692
	$ 2,800,000

Following the acquisition of the Kainantu exploration properties and associated assets, the Group is focused on mineral exploration in Papua New Guinea.

On June 16, 2020, the Company entered into a definitive share exchange agreement ("the Agreement") with Kainantu Resources Ltd. (formerly PLB Capital Corp). ("PLB") whereby PLB will acquire all of the issued and outstanding securities of KRPL in respect of the Qualifying Transaction (the "Transaction"). The Agreement was further amended on August 5, 2020 in relation to the number and type of securities acquired and completion of financing by the Company and on October 7, 2020 in relation to the minimum financing amount and condition for the award of deferred consideration shares. The Transaction was completed on December 3, 2020 (Note 18).

On July 27, 2020, all issued and outstanding common shares of the Company were consolidated on a 2:1 basis. All references to share and per share amounts have been retroactively restated to reflect the share consolidation

Concurrently with the Transaction with PLB, the Company completed a private placement to raise proceeds of CDN$4,100,000 by the issuance of 20,500,000 units at $0.20 per unit (note 18). Each unit consists of one common share of the Company and one-half share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of CDN$0.40 for a period of three years.

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2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Group will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

As at November 30, 2020, the Group has recorded a net loss of $230,881 for the period and has an accumulated deficit of $232,465. The Group has no source of revenue. Its ability to continue as a going concern is dependent on raising adequate financing to explore its mineral properties and develop profitable operations.

Subsequent to the period ended November 30, 2020, the Company completed the private placement outlined in Note 1 and received subscription funds totaling CDN $4,100,000. On this basis the Company estimates that it has adequate financial resources for at least the next twelve months.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was 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 statement of financial position classifications used.

3. BASIS OF PREPARATION

a. Statement of compliance

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

These consolidated financial statements were approved by the board of directors on March 29, 2021.

b. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c. Presentation currency

These consolidated financial statements are presented in United States Dollars ("USD") which differs from the Company's functional currency which is Singapore Dollars ("SGD"). Functional currencies of each entity are set out below.

Foreign currencies

Transactions in foreign currencies are initially recorded by each entity in the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences are taken to profit or loss.

3. BASIS OF PREPARATION (Continued)

Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss or other comprehensive income / (loss) are also recognized in profit or loss or other comprehensive income / (loss), respectively).

Translation of foreign operations

The financial position of the subsidiary, whose functional currency is different from the reporting currency, are translated as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial period end;
- income and expenses are translated at average exchange rates for the period, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions;
- equity transactions are translated using the exchange rate at the date of the transactions; and
- all resulting exchange differences are recognized in other comprehensive income and reported as a separate component of equity.

d. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group assets and liabilities, revenues, expenses and cash flows relating to intra-group transactions are eliminated.

Entity	Ownership %	Country of incorporation	Nature / Activities	Functional Currency
Kainantu Resources Pte Ltd	-	Singapore	Parent company	SGD
Kainantu Resources Limited	100%	Papua New Guinea	Mineral exploration	USD

4. SIGNIFICANT ACCOUNTING POLICIES

a. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, term deposits, and highly liquid instruments with a maturity of three months.

During the period, the Group did not hold any bank accounts and has been funded by related entities.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Asset acquisitions

Asset acquisitions are accounted for using the allocation method based on relative fair values of assets acquired. The cost of an acquisition is measured as the aggregate of the consideration transferred.

c. Property and equipment

Property and equipment are carried at historical cost less any accumulated depreciation and impairment losses.

Depreciation is calculated on following basis over the estimated useful lives of property and equipment:

Office equipment, software and licenses	Straight line over 2 - 5 years
Machinery & Equipment	Straight line over 2 - 5 years
Motor vehicles	Straight line over 3 years

d. Exploration and evaluation assets

Recognition and measurement

Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation assets. The costs are accumulated by areas of interest pending the determination of technical feasibility and commercial viability.

Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of obtaining financing to complete the exploration and evaluation of the mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, the ability to recover costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation assets do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation assets.

The technical feasibility and commercial viability of extracting a mineral resource from an area of interest is considered to be determinable when proved and/or probable reserves are determined to exist, and the necessary permits have been received to commence production. A review of each area of interest is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation assets is first tested for impairment and then reclassified to property and equipment and/or intangibles or expensed to the consolidated statement of loss and comprehensive loss to the extent of any impairment.

Impairment

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

An impairment loss is recognized in the consolidated statement of loss and comprehensive loss if the carrying amount of an area of interest exceeds its estimated recoverable amount. The recoverable amount of an area of interest used in the assessment of impairment of exploration and evaluation assets is the greater of its value in use ("VIU") and its fair value less costs of disposal ("FVLCD").

VIU is determined by estimating the present value of the future net cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property.

FVLCD refers to the price that would be received to sell the area of interest in an orderly transaction between market participants.

For an area of interest that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the area of interest belongs. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount only to the extent that the area of interest's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

e. Share capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

f. Reserves

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currency to the Group's presentation currency are recognized directly in other comprehensive income / (loss) and accumulated in the foreign currency translation reserve. See Note 3 for the functional currencies of KRPL and KRL.

g. Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they revert, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The Group's receivables are measured at amortized cost.

Financial liabilities are designated as either FVTPL or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The Group's accounts payables and accrued liabilities are measured at amortized cost.

Impairment of financial assets

An expected credit loss impairment model is applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

i. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for any of its own shares held. Diluted loss per share is determined by adjusting the loss attributable to shareholders and the weighted average number of ordinary shares outstanding, adjusted for any of its own shares held, for the effects of all dilutive potential ordinary shares, which comprise outstanding warrants and stock options.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Contingent liabilities

The Group does not recognize a contingent liability component in the cost of an asset, when an asset or a group of assets that do not constitute a business are acquired. Any subsequent payments made in relation to the contingent element are adjusted against the cost of the asset as incurred.

k. Rehabilitation provision

The Group is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Group records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur. At this time, the Group does not have any significant rehabilitation obligations.

l. Accounting Standards Issued but not yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Group's financial statements.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenditures during the year.

These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the estimates. Revisions to estimates and the resulting effects on the carrying amounts of the Group's assets and liabilities are accounted for prospectively. Information about such judgments and estimates is contained in the description of accounting policies (note 4) and/or other notes to the financial statements. Management has made the following critical judgments and estimates:

Critical judgments in applying accounting policies

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Functional currency

The functional currency for each of the Group's operations is the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currencies of the Company and its subsidiary are SGD and the USD respectively. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Impairment of non-current assets

Non-current assets are tested for impairment when indicators of impairment are present. Calculating the estimated fair values of cash generating units for non-current asset impairment tests requires management to make estimates and assumptions with respect to metal selling prices, future capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, production cost estimates, discount rates and exchange rates. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future non-expansionary capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's non-current assets.

Key sources of estimation uncertainty

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities are as follows:

Exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is recognized in loss in the period that the new information becomes available.

Income taxes

Management is required to make estimations regarding the tax basis of assets and liabilities and related deferred income tax assets and liabilities, the measurement of income tax expense and indirect taxes. A number of these estimates require management to make estimates of future taxable profit, and if actual results are significantly different than estimates, the ability to realize the deferred tax assets recorded on the statement of financial position could be impacted. The Group is subject to assessments by tax authorities who may interpret the tax law differently. These factors may affect the final amount or the timing of tax payments.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Group to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Group's business or ability to raise funds.

(Presented in United States Dollars)

6. RECEIVABLES

		2020		2019
Deposits and other receivables	$	11,097	$	2,974
	$	**11,097**	**$**	**2,974**

Included in 2019 were subscription funds receivable (note 14) which were settled in 2020, the balance relates to security deposits pertaining to exploration licenses.

7. PROPERTY AND EQUIPMENT

Cost	Office Equipment $	Machinery & Equipment $	Motor Vehicles $	Construction in Progress $	Total $
August 21, 2019 and December 31, 2019	**-**	**-**	**-**	**-**	**-**
Additions	10,705	6,370	90,610	370,283	477,968
November 30, 2020	**10,705**	**6,370**	**90,610**	**370,283**	**477,968**
Accumulated Depreciation					
August 21, 2019 and December 31, 2019	**-**	**-**	**-**	**-**	**-**
Depreciation	514	829	14,999	**-**	**16,342**
November 30, 2020	**514**	**829**	**14,999**	**-**	**16,342**
Net Book Value	**10,191**	**5,541**	**75,611**	**370,283**	**461,626**

Plant and equipment items were mainly acquired pursuant to the Option and Sale Agreement with PEC (Note 1) on June 1, 2020 for consideration of $464,296. Depreciation is capitalized to exploration and evaluation assets.

8. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Group has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its assets are in good standing.

		Acquisition Cost	Additions	Impairment	Total
August 21, 2019 and December 31, 2019	$	-	-	-	-
Kainantu		2,330,692	380,652	-	2,711,344
November 30, 2020	**$**	**2,330,692**	**380,652**	**-**	**2,711,344**

The Kainantu exploration properties were acquired pursuant to the Option and Sale Agreement with PEC (Note 1) on June 1, 2020 for consideration of $2,330,692. Additions included $16,342 of capitalized depreciation.

(Presented in United States Dollars)

9. SHARE CAPITAL

The Company is authorized to issue unlimited ordinary shares.

All issued ordinary shares are fully paid and have no par value. The holders of the shares are entitled to receive dividends and are entitled to one vote per share. All shares rank equally with regard to the Company's residual assets in the event of a wind-up.

On August 21, 2019, the Company issued 1,500 ordinary shares at $2 (SGD) upon incorporation. On June 1, 2020, a private placement was completed prior to completion of the Restructure (Note 1) with a further 2,200,000 shares issued at a price of $0.05 (SGD) per 5,000 shares.

On June 1, 2020, 17,798,500 shares were issued through the Restructure as consideration to settle the $2,800,000 promissory note held by APEV (Note 1).

10. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	Period ended November 30, 2020	Period ended December 31, 2019
Loss for the period	$ (230,881)	$ (1,584)
Expected income tax expense (recovery)	(69,000)	(269)
Change in statutory, foreign tax, foreign exchange rates and other	29,000	269
Change in unrecognized deductible temporary differences	40,000	
Total income tax expense (recovery)	**$ -**	**$ -**
Current income tax	$ -	$ -
Deferred tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets that have not been included on consolidated statements of financial position are as follows:

	2020	2019
Deferred tax assets (liabilities)		
Non-capital loss available for future periods	$ 40,000	$ -
	40,000	-
Unrecognized deferred tax assets	(40,000)	-
Net deferred tax assets	**$ -**	**$ -**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	2020	Expiry Date Range	2019	Expiry Date Range
Temporary Differences				
Non-capital losses available for future periods	232,000	No expiry date	2,000	No expiry date
Singapore	225,000	No expiry date	-	No expiry date
Papua New Guinea	8,000	2040	-	N/A

Tax attributes are subject to review, and potential adjustment, by tax authorities.

(Presented in United States Dollars)

11. LOSS PER SHARE

Loss per share amounts are calculated by dividing the net loss attributable to shareholders for the period by the weighted-average number of common shares outstanding during the period.		**Period ended November 30, 2020**	**Period ended December 31, 2019**
Net loss attributable to equity holders	$	(230,881)	(1,584)
Basic and diluted weighted number of common shares		10,028,145	1,500
Basic and diluted loss per shares attributable to equity holders of the Company	**$**	**(0.023)**	**(1.056)**

12. DETERMINATION OF FAIR VALUES

The Group's financial instruments consist of receivables and accounts payable and accrued liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Classification and fair values		**November 30, 2020**	**December 31, 2019**
Assets – Amortized Cost			
Receivables	$	11,097	2,974
Liabilities – Amortized Cost			
Accounts payable and accrued liabilities	$	421,454	2,355
Due to related parties		445,057	-

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash, receivables, accounts payable and accrued liabilities, and due to related parties approximated their fair value because of the short-term nature of these instruments.

The Group does not carry any financial instruments at FVTPL.

13. FINANCIAL AND RISK MANAGEMENT

The activities of the Group expose them to a variety of financial risks that arise as a result of their exploration, development and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors of the Group oversees management's establishment and execution of the Group's risk management framework. Management has implemented and monitors compliance with risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument fails to meet its contractual obligations. The Group holds no operational bank accounts; accordingly, is not subject to credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting their financial liabilities that are settled in cash or other financial assets. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for other payables are subject to normal trade terms. The Group expects to settle its financial liabilities within normal trading terms (within three months).

Market risk

Market risk is the risk that changes in market prices, such as equity prices and foreign exchange rates will affect the Group's profit or loss or the value of its financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the Group's financial performance will be affected by fluctuations in the exchange rates between currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when expenses are denominated in currencies other than the respective functional currencies). The Group manages this foreign currency risk by matching payments in the same currency and monitoring movements in exchange rates.

Capital management

Capital of the Group consists of items within shareholder' equity. The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern so it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Group manages its capital structure and makes adjustments based on the funds available to it in light of changes in economic conditions.

(Presented in United States Dollars)

13. FINANCIAL AND RISK MANAGEMENT (Continued)

The Board of Directors of the Group has not established quantitative return on capital criteria for management, but rather relies on the expertise of the management to sustain the future development of the Group. In order to facilitate the management of their capital requirements, the Group prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group is reasonable.

The Group's principal source of capital is from the issue of ordinary shares. In order to achieve its objectives, the Group intends to raise additional funds as required. The Group is not subject to externally imposed capital requirements and there were no changes to the Group's approach to capital management during the period.

14. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Group as a whole. The Group has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the period ended November 30, 2020, the incorporation subscription funds receivable (Note 6) from its former shareholder was settled as part of the Restructure.

As at November 30, 2020, amounts due to related parties totalled $401,575 in relation to ongoing funding received from the APEV group prior to completion of the fundraising relating to the Transaction.

During the year ended November 30, 2020 Matthew Salthouse Director and Chief Executive Officer received fees for services provided by Axis Mining Pte Ltd totaling $36,942 (SGD $50,000) (2019 $nil).

Bart Lendrum Director and Chief Financial Officer received fees for services provided by South Street Pte Ltd totaling $8,866 (SGD $12,000) (2019 $nil). As at November 30, 2020 these fees were recorded in Trade payable along with expenses to be reimbursed of $17,265.

For the period ended December 31, 2019, a Nominee Director Chin Moon Jun received fees for Nominee services totalling $704 (SGD $1,000).

15. COMMITMENTS AND CONTINGENCIES

The Group has the following commitments, with payment based on the assumption of continued operations and ongoing successful exploration results at its tenements, and contingent on the successful award of new tenements under application.

Commitment payments	
Papua New Guinea Kina 60,000 (USD $17,400 at November 30, 2020)	Minimum exploration expenditure commitment for the second year at the granted Kainantu Tenements.
Papua New Guinea Kina 1,315,000 (USD $381,350 at November 30, 2020)	Minimum exploration expenditure commitment for the next 2 years at the additional Kainantu Tenements under application, where granted.

No other contingent payments or commitments exist at the date of statement of financial position.

16. SEGMENTED INFORMATION

The Group operates in one business segment being mineral exploration in Papua New Guinea. All non-current assets are located in Papua New Guinea.

17. SUPPLEMENTARY CASH FLOW INFORMATION

Supplemental information regarding non-cash transactions is as follows:

During the period ended November 30, 2020:

- Deposits included in receivables of $5,012, property and equipment of $464,296 and exploration and evaluation assets of $2,330,692 were acquired pursuant to the Restructure (Note 1).
- Accounts payable and accrued liabilities of $2,355 were settled as part of the Restructure (Note 1).
- Accounts payable and accrued liabilities included $246,048 of deferred financing costs.
- Subscription funds receivable of $2,169 were settled as part of the Restructure (Note 1).
- Due to related parties included property and equipment of $6,048 and exploration and evaluation expenditures of $61,643.

During the period ended December 31, 2019:

- Subscription funds receivable of $2,169 were included in receivables.

During the periods ended November 30, 2020 and December 31, 2019, the Group paid $nil and $nil for income taxes and interest, respectively.

18. SUBSEQUENT EVENTS

On December 3 the Company completed the concurrent financing and executed the Transaction with PLB Capital Corp, which acquired of all of the issued and outstanding shares of the Company.

Concurrent Financing

In connection with the Transaction, an aggregate of 20,500,000 units (each a “Kainantu Unit”) of the Company were issued pursuant to a non-brokered private placement at a price of CDN $0.20 per Kainantu Unit for total gross proceeds of CDN $4,100,000.

On conversion, each Kainantu Unit consisted of one share and one half of a share purchase warrant. Each warrant was to be exercisable at a price of CDN $0.40 per share until December 3, 2023, subject to accelerated expiry.

As at November 30, 2020, the Company has incurred deferred financing costs totaling $246,408 in connection with this financing.

Transaction Summary

In connection with the Transaction, each Kainantu Unit was exchanged for units of PLB Capital Corp. (“Unit”) on a one for one basis and on the same terms and conditions. In addition to the new share under the concurrent financing the existing shares in the Company were exchanged on a one for one basis with 20,000,000 shares exchanged at a deemed price of $0.20 per Kainantu Share.

Except for events disclosed elsewhere, there have been no subsequent events since the reporting date which would have a material impact on these financial statements.

CORPORATE DIRECTORY

Directors & Management

Matthew Salthouse – Director & Chief Executive Officer
Geoffrey Lawrence – Non-executive Director
Bart Lendrum – Director & Chief Financial Officer

Company Secretary
Noraini Binte Noor Mohamad Abdul Latiff

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