

METALLICA METALS CORP.
(formerly Cameo Industries Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For The Nine Months Ended January 31, 2021 and 2020

(Unaudited –Prepared by Management)

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

As at	Notes	January 31, 2021	April 30, 2020
ASSETS			
Current assets			
Cash		\$ 155,853	\$ 114,038
Receivables		243	21,470
Prepaid expenses		8,550	5,000
Total current assets		164,646	140,508
Non-current assets			
Property, plant and equipment	8	2,680,398	2,692,488
Reclamation bond	6	734,116	733,269
Exploration and evaluation assets	3,4	6,692,137	1,650,227
TOTAL ASSETS		\$ 10,271,297	\$ 5,216,492
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	9	\$ 429,079	\$ 472,101
Due to related parties	9	13,606	67,856
Loans payable	5	35,152	196,158
Total current liabilities		477,837	736,115
Non-current liabilities			
Decommissioning obligations	7	1,384,900	1,401,514
TOTAL LIABILITIES		1,862,737	2,137,629
EQUITY			
Share capital	10	39,369,866	33,462,874
Shares to be issued	10	-	125,000
Reserves	10	2,547,438	1,851,777
Deficit		(33,508,744)	(32,360,788)
TOTAL EQUITY		8,408,560	3,078,863
TOTAL LIABILITIES AND EQUITY		\$ 10,271,297	\$ 5,216,492

Nature and continuance of operations (Note 1)

Contingency (Note 14)

Subsequent events (Note 15)

Approved by the Board of Directors on April 6, 2021:

“Paul Ténrière”

Director

“Sandy Noyes”

Director

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

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

	Notes	Three months ended		Nine months ended	
		January 31, 2021	January 31, 2020	January 31, 2021	January 31, 2020
EXPENSES					
Accretion on decommissioning obligations		\$ (1,507)	\$ -	\$ (4,523)	\$ -
Consulting and management fees	9	30,000	344,613	176,600	1,109,216
Filing and transfer agent fees		9,839	3,284	37,477	26,368
Marketing		47,499	-	57,709	6,554
Office and miscellaneous		4,315	6,668	15,059	32,214
Professional fees		30,589	17,063	102,638	127,089
Share-based compensation		692,476	-	692,476	-
Travel and promotion		5,545	-	11,137	3,657
Exploration expenses		-	-	57,500	93,354
Total expenses		(818,757)	(371,628)	(1,146,073)	(1,398,452)
OTHER ITEMS					
Interest income		4,092	9,100	5,472	9,643
Finance expenses	5	(1,919)	(3,808)	(7,351)	(5,342)
Foreign exchange loss		2	-	(5)	-
Total other items		2,175	5,292	(1,884)	(4,301)
Net and comprehensive loss for the period		(816,582)	\$ (366,336)	\$ (1,147,956)	\$ (1,394,151)
Loss per common share – basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.05)	\$ (0.01)
*Weighted average number of common shares outstanding – basic and diluted		44,635,400	10,639,622	25,176,535	10,639,622

*The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a one new for ten old basis effective June 13, 2020.

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

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Condensed Interim Consolidated Statements of Cash Flows

For the Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

	January 31, 2021	January 31, 2020
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	\$ (1,147,956)	\$ (1,394,151)
Items not involving cash		
Accretion expense	(4,525)	-
Share-based compensation	692,476	-
Accrued interest expense	3,159	5,355
Accrued interest income	(847)	-
Changes in non-cash working capital items		
Receivables	21,228	59,944
Prepaid expenses	(3,550)	976,446
Trade payables and accrued liabilities	62,477	(109,415)
Due to related parties	(54,250)	(41,492)
Net cash used in operating activities	(431,788)	(503,313)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investment in property and equipment, net of cash	(75,000)	-
Exploration and evaluation assets	(151,833)	(263,093)
Net cash used in investing activities	(226,833)	(263,093)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan issuance	25,713	-
Proceeds from loans payable	-	120,000
Receipt of subscription receivable	-	350,000
Private placement	864,600	-
Repayment of loans payable	(189,164)	-
Net cash provided by financing activities	700,436	470,000
Change in cash	41,815	(296,406)
Cash, beginning of the period	114,038	312,402
Cash, end of the period	\$ 155,853	\$ 15,996

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

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Condensed Interim Consolidated Statements of Shareholders' Equity

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

	Number of Shares*	Share Capital	Share subscriptions received in advance	Subscriptions Receivable	Reserves	Deficit	Total Equity
Balance – April 30, 2019	10,639,599	\$ 33,462,874	\$ -	\$ (350,000)	\$ 1,851,777	\$ (30,439,496)	\$ 4,525,155
Receipt of subscription receivable	-	-	-	350,000	-	-	350,000
Net comprehensive loss for the period	-	-	-	-	-	(1,394,151)	(1,394,151)
Balance – January 31, 2020	10,639,599	\$ 33,462,874	\$ -	\$ -	\$ 1,851,777	\$ (31,833,647)	\$ 3,481,004
Balance – April 30, 2020	10,639,599	\$ 33,462,874	\$ 125,000	\$ -	\$ 1,851,777	\$ (32,360,788)	\$ 3,078,863
Private placement	11,196,333	989,600	(125,000)	-	-	-	864,600
Finder's shares	7,050	-	-	-	-	-	-
Finder's warrants	-	(3,185)	-	-	3,185	-	-
Shares issued to settle debt	527,500	105,500	-	-	-	-	105,500
Shares issued for exploration and evaluation assets	27,553,846	4,815,077	-	-	-	-	4,815,077
Share-based compensation	-	-	-	-	692,476	-	692,476
Net comprehensive loss for the period	-	-	-	-	-	(1,147,956)	(1,147,956)
Balance – January 31, 2021	49,924,328	\$ 39,369,866	\$ -	\$ -	\$ 2,547,438	\$ (33,508,744)	\$ 8,408,560

*The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a one new for ten old basis effective June 13, 2020.

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

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

1. NATURE AND CONTINUANCE OF OPERATIONS

Metallica Metals Corp. (formerly Cameo Industries Corp.) (the “Company”) was incorporated under the Company Act of British Columbia on March 3, 1987. The Company is in the business of exploring mineral properties and has not yet generated revenues from operations. The Company’s shares were traded under the symbol “CRU” on the TSX Venture Exchange (“TSX-V”) until June 11, 2020, when the Company voluntarily delisted them from the TSX-V. On June 15, 2020, the Company’s shares commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol “CRU”. On December 17, 2020, the Company’s CSE symbol changed to “MM”. On February 2, 2021, the Company’s OTC symbol changed from CRUUF to MTALF.

The Company’s corporate office is located at 810-789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

During the year ended April 30, 2019, the Company changed its name from Cameo Cobalt Corp. to Cameo Industries Corp. On December 14, 2020, the Company changed its name from Cameo Industries Corp. to Metallica Metals Corp.

On June 13, 2020, the Company completed a ten for one share consolidation. All number of shares and per share amounts have been restated in these consolidated financial statements to reflect this share consolidation.

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. The impact on the Company is not currently determinable but management continues to monitor the situation.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has working capital deficit at January 31, 2021 of \$313,191 (April 30, 2020 –\$595,607) and a deficit of \$33,508,744 (April 30, 2020 - \$32,360,788). Management is aware of material uncertainties present that cast doubt upon the Company’s ability to continue as a going concern, the most significant of these being the Company’s ability to continue to obtain additional long-term financing and the continued financial support of the Company’s shareholders. The Company is considering a number of alternatives to secure additional capital from additional funding facilities or equity financing. Although management intends to secure additional financing there is no assurance management will be successful or that it will establish future profitable operations. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

If the going concern assumption is 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 and such amounts could be material.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of January 31, 2021.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (*Cont'd.*)

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting.

The condensed interim consolidated financial statements are presented in Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at April 30, 2020. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2020.

Basis of consolidation

Consolidated financial statements include the assets, liabilities and results of operations of all entities controlled by the Company. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the Company's audited consolidated financial statements. Where control of an entity is obtained during a financial year, its results are included in the audited consolidated statements of comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

These consolidated financial statements include the accounts of the Company and its controlled wholly-owned subsidiaries, Labrador Cobalt Corp., Forrest Kerr Resources Inc., FortyTwo Metals Inc., 2743282 Ontario Inc., Chilean Cobalt Opportunity Corp and 2752300 Ontario Inc.

Significant estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Estimates and assumptions where there are significant risks of material adjustments to assets and liabilities in future accounting years include share-based awards and payments, fair value measurements of financial instruments, recoverability of the carrying value of exploration and evaluation assets, recoverability and measurement of deferred tax assets and decommissioning obligations.

Significant judgments

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed interim consolidated financial statements include the assessment of the Company's ability to continue as a going concern, and the provision for decommissioning obligations.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

3. ACQUISITION

2752300 Ontario Inc.

On November 25, 2020, pursuant to a share purchase agreement and an assignment and assumption agreement the Company has entered into, the Company has closed an arm's length share purchase resulting in the acquisition (the "Acquisition") of 2752300 Ontario Inc ("Ontco 1"). 2752300 Ontario Inc. is a private company formed under the laws of Ontario, whose sole asset is an option agreement (the "Option Agreement") with Benton Resources Inc. ("Benton") dated July 31, 2020, whereby Ontco 1 has the option to earn up to a 100% interest in the Starr Gold and Silver Project (the "Saganaga Lake Gold Property") located west of Thunder Bay, Ontario. The Starr Gold and Silver Project consists of 27 mineral claims (350 claim units) that cover a number of high-grade gold and silver occurrences within a 20 km long segment of the southwestern section of the Shebandowan Greenstone Belt in the Thunder Bay Mining District.

The Company acquired all of the issued and outstanding common shares of OntCo 1, in consideration of (i) issuing to the vendors 14,000,000 common shares of the Company with fair value of \$2,100,000; and (ii) issuing 1,153,846 finder shares with fair value of \$173,077.

	Total
Purchase consideration:	
Common shares	\$ 2,100,000
Finder's shares	<u>173,077</u>
	<u>\$ 2,273,077</u>
Net assets acquired:	
Exploration and evaluation assets (Note 4)	<u>\$ 2,273,077</u>
	<u>\$ 2,273,077</u>

Pursuant to the assignment and assumption agreement, the Company is granted the sole and exclusive right and option to acquire up to an undivided 100% interest in the Property, through the underlying Option Agreement assigned to the Company, in accordance with the following:

- a.) in order to acquire a 70% interest (the "Initial Interest") in the Saganaga Lake Gold Property (the "First Option"), the Company shall:
 - (i) pay Benton \$50,000 in cash and issue the greater of 1,000,000 Common Shares or 3% of the issued and outstanding Common Shares to Benton upon execution of the Option Agreement, such shares to be subject to an indefinite hold period.
 - (ii) within 12 months of the date of execution of the Option Agreement pay Benton \$50,000 in cash and issue the greater of 1,000,000 Common Shares or 2% of the then issued and outstanding Common Shares to Benton as well as spend a minimum of \$200,000 on Qualified Expenditures.
 - (iii) within 24 months of the Effective Date pay Benton \$50,000 in cash and issue the greater of 1,000,000 Common Shares or 1.5% of the then issued and outstanding Common Shares to the Company and have completed a further \$200,000 in Qualified Expenditures upon which the Optionee shall be deemed to have exercised the First Option and acquired the Initial Interest;
- b.) Upon the Company acquiring the Initial Interest in accordance with above, the Company must, within 30 days thereafter, give notice in writing to Benton as to whether it wishes to acquire the Second Option, whereupon Benton will, if the Company indicates that it wishes to acquire the Second Option, grant to the Company the exclusive right and option to earn an additional 30% (the "Second Interest") in the Saganaga Lake Gold Property (the "Second Option"); and

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

3. ACQUISITION (*Cont'd.*)

- c.) in order to exercise the Second Option, the Company shall pay Benton \$50,000 cash and issue 2,000,000 Common Shares to Benton and complete a further \$400,000 of Qualified Expenditures on the Saganaga Lake Gold Property upon which the Company shall be deemed to have exercised 100% interest in the Saganaga Lake Gold Property

2743282 Ontario Inc.

On September 21, 2020, the Company acquired two platinum-group metals projects from 2743282 Ontario Inc. (“OntCo 2”) pursuant to a Purchase Agreement dated August 18, 2020. The projects are referred to as the Richview Pine Project and the Sammy Ridgeline Project (collectively, the “Thunder Bay Properties”). The Company acquired all of the issued and outstanding common shares of OntCo 2, which held a 100% right, title and interest in the Properties, in consideration of (i) issuing 12,400,000 common shares of the Company with a fair value of \$2,542,000 to the Vendors; and (ii) paid \$75,000 in cash.

This acquisition has been accounted for as an acquisition of assets as OntCo 2 did not meet the definition of a business under IFRS 3, Business Combinations.

	Total
Purchase consideration:	
Cash	\$ 75,000
Common shares	<u>2,542,000</u>
	<u>\$ 2,617,000</u>
Net assets acquired:	
Exploration and evaluation assets (Note 4)	<u>\$ 2,617,000</u>
	<u>\$ 2,617,000</u>

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

4. EXPLORATION AND EVALUATION ASSETS

Summary of exploration and evaluation assets for the nine months ended January 31, 2021:

	Saganaga Lake Gold	Sammy Ridgeline	Labrador Cobalt	Big Mac Gold	Montreal Cobalt	MAX	Other	Total
Acquisition costs								
Balance as at April 30, 2020	-	-	1	1,200,300	1	1	2,300	1,202,603
Addition	2,273,077	2,617,000	-	-	-	-	-	4,890,077
Balance as at January 31, 2021	2,273,077	2,617,000	1	1,200,300	1	1	2,300	6,092,680
Exploration costs								
Balance, April 30, 2020	\$ -	\$ -	\$ -	\$ 204,530	\$ -	\$ 243,094	\$ -	\$ 447,624
Geological/Geophysical	-	-	-	-	-	112,934	-	112,934
Field work and supplies	-	-	-	-	-	5,411	-	5,411
Property taxes and licenses	-	-	-	-	-	33,487	-	33,487
Consulting and professional	-	-	-	-	-	-	-	-
Balance, January 31, 2021	-	-	-	204,530	-	394,926	-	599,456
Total January 31, 2021	\$ 2,273,077	\$ 2,617,000	\$ 1	\$ 1,404,830	\$ 1	\$ 394,927	\$ 2,300	\$ 6,692,137

Saganaga Lake Gold Project

On November 16, 2020, the Company entered into a share purchase and sale agreement with 2752300 Ontario Inc. to acquire all the issued and outstanding common shares of OntCo 1, a privately-held corporation (Note 3) which owns certain claims situated in the southwestern section of the Shebandowan Greenstone Belt in the Thunder Bay Mining District of Ontario.

Thunder Bay Project

On September 11, 2020, the Company entered into a share purchase and sale agreement with 2743282 Ontario Inc. to acquire all the issued and outstanding common shares of OntCo 2, a privately-held corporation (Note 3) which owns certain claims situated in the Thunder Bay Mining District of Ontario.

Labrador Cobalt Project

On May 10, 2018, the Company entered into a share purchase and sale agreement with Phoenix Mining Corp to acquire all the issued and outstanding common shares of Labrador Cobalt, a privately-held corporation which owns certain claims situated north of the Voisey's Bay mine in Newfoundland and Labrador.

During the year ended April 30, 2020, management determined that the Labrador Cobalt Project was impaired and accordingly wrote-off \$515,543 of acquisition costs included in exploration and evaluation assets.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

4. EXPLORATION AND EVALUATION ASSETS (*Cont'd.*)

Big Mac Gold Project

On August 27, 2018, the Company entered into a share purchase agreement with the shareholders of Forrest Kerr to acquire all the issued and outstanding common shares of Forrest Kerr, a privately-held corporation which owns certain claims situated in British Columbia's Golden Triangle.

Montreal Cobalt Project

On September 25, 2018, the Company entered into a share purchase agreement with the shareholders of CCOC to acquire all the issued and outstanding common shares of CCOC which owns certain claims situated in the Metropolitan Region of Chile.

During the year ended April 30, 2020, management determined that the Montreal Cobalt Project was impaired and accordingly wrote-off \$607,211 of exploration and evaluation assets. The write-off of Montreal Cobalt Project was comprised of \$577,000 for acquisition costs and \$30,211 of exploration and evaluation costs.

Max Mine Project

On March 6, 2019, the Company entered into a share purchase agreement with FortyTwo Metals Inc. to acquire all of the issued and outstanding common shares of FortyTwo Metals Inc. which owns certain mineral claims of the MAX property located in British Columbia.

Willa Project

On March 6, 2019, the Company acquired 100% interest, right and title in Willa property located in Slocan Mining Division, British Columbia from MX Gold Corp. pursuant to a sale and assignment agreement. As consideration, the Company paid \$5,700.

The Willa Project was fully impaired during the year ended April 30, 2019. During the year ended April 30, 2020, the Company terminated the agreement with the original Optionors of the Willa Property. The Company transferred the claims comprising the property back to the Optionors in exchange for the termination of the underlying agreements respecting the property, as well as the release of any further obligations or amounts owing thereunder.

Other Project

On March 18, 2019, the Company entered into an asset purchase agreement to acquire three mineral claims adjacent to the Big Mac Gold project located in the Golden Triangle area of British Columbia from the Vendor in exchange for 20,000 common shares of the Company with a fair value of \$2,300.

5. LOANS PAYABLE

During the year ended April 30, 2019, the Company entered into loan agreements to receive a total of \$65,000. The loans are unsecured, bearing interest at 8% per annum, matures in six months after the effective date and the lender has the option to convert all or any portion of the loan into common shares of the Company at any time before the maturity date, at the maximum allowable discount. At the date of issue, the debt portion of the convertible loans was recorded at its fair value of \$63,683, assuming a fair value of interest rate for comparable debt of 12% per annum. The equity component, which is the fair value attributed to the conversion feature, had a carrying value of \$1,317, being the difference between the face amount and the fair value of the debt. The carrying value of the equity component was recorded as a separate component of shareholders' equity. Subsequent to initial recognition, the debt has been amortized over the term of the debt using the effective interest rate method at discount rate of 12%.

During the year ended April 30, 2019, the Company repaid the principal balance of \$57,000, including interest of \$253, and accrued an interest and accretion expense of \$482 related to the convertible loans.

As at January 31, 2021, all of these loans matured and are no longer convertible. These outstanding loans payable were \$9,440 (April 30, 2020 - \$8,960).

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

5. LOANS PAYABLE (*Cont'd.*)

On September 11, 2019 and October 1, 2019, respectively, the Company entered into two loan agreements totalling \$120,000 from an arms-length party. The loans are unsecured, bear interest at 8% per annum, and are payable on demand. As at January 31, 2021, the Company has repaid the two loans payable totalling \$120,000 and \$7,224 (April 30, 2020 - \$6,014) of interest payable on these two loans.

On February 18, 2020, the Company entered into a loan agreement for \$60,000 from an arms-length party. The loan is unsecured, bears interest at 10% per annum, and matures on February 28, 2022. As at January 31, 2021, the Company has repaid the loans payable of \$60,000 and \$1,940 (April 30, 2020 - \$1,184) of interest payable on this loan.

On September 25, 2020 the Company entered into a loan agreement for \$40,000 from an arms-length party. The loan is unsecured, bears interest at 8% per annum, and due and payable on demand. As at January 31, 2021, the Company has repaid the loan payable totalling \$40,000 and \$982 of interest payable on this loan.

On September 23, 2020 the Company entered into a loan agreement for \$25,000 from an arms-length party. The loan is unsecured, bears interest at 8% per annum, and due and payable on demand. As at January 31, 2021, the Company has accrued interest payable of \$712 on the outstanding loan.

6. RECLAMATION BONDS

As at January 31, 2021, reclamation bonds totalling \$730,000 (April 30, 2020- \$730,000) were held with the British Columbia Ministry of Energy and Mines as part of the FortyTwo Metals Inc. acquisition (Note 4). As at January 31, 2021 the Company has recorded accrued interest receivable thereon in the amount of \$4,116 (April 30, 2020- \$3,269).

7. DECOMMISSIONING OBLIGATIONS

The Company's decommissioning obligations relate to future site restoration and abandonment costs of the MAX Mine and Mill. The expected timing of the cash flows in respect of the provision is based on the estimated life of the mining operations. As at January 31, 2021, the Company estimated that the total undiscounted cash flows required to settle its decommissioning obligations was approximately \$1,383,392 (April 30, 2020-\$1,313,403). Decommissioning liabilities of \$1,384,900 as at January 31, 2021 (April 30, 2020- \$1,401,514) have been calculated using an inflation rate of 2% per annum and discounted using a risk-free rate of 0.25%.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

8. PROPERTY, PLANT AND EQUIPMENT

	Building \$	Land \$	Mills \$	Equipment \$	Total \$
Cost					
Balance at April 30, 2020	139,922	396,542	930,977	1,225,047	2,692,488
Decommissioning obligations	-	-	-	(12,090)	(12,090)
Balance at January 31, 2021	139,922	396,542	930,977	1,212,957	2,680,398
Accumulated depreciation					
Balance at April 30, 2020 and January 31, 2021	-	-	-	-	-
Net book value					
April 30, 2020	139,922	396,542	930,977	1,225,047	2,692,488
January 31, 2021	139,922	396,542	930,977	1,212,957	2,680,398

Buildings, mills and equipment were not available for use as at January 31, 2021 and no depreciation has been recorded.

9. RELATED PARTY TRANSACTIONS

The balance in due to related parties comprises the following:

	January 31, 2021	April 30, 2020
CEO and CFO	\$ 6,000	\$ 60,250
Former officers and directors	7,606	7,606
Total	\$ 13,606	\$ 67,856

The amounts owing to current and former officers, directors, and key management personnel are unsecured, non-interest bearing and due on demand. The Company owed \$6,000 (April 30, 2020 - \$5,000) recorded in accounts payable and accruals for services to be provided by the Company's CFO. The Company also prepaid \$525 (April 30, 2020 - \$nil) recorded in prepaids for services to be provided by the Company's CEO.

The Company had the following transactions with current and former directors and officers during the nine months ended January 31, 2021 and 2020:

	2021	2020
Management fees (a)	\$ 91,000	\$ 75,500
Consulting fees (b)	12,500	4,000
Share-based compensation	692,476	-
	\$ 795,976	\$ 79,500

- (a) During the period ended January 31, 2021, the Company paid or accrued management fees of \$91,000 (2020 - \$75,500). Management fees were comprised of \$64,000 for the Director and CEO (2020 - \$22,500) and \$27,000 (2020 - \$18,000) for the CFO and Corporate Secretary. During the period ended January 31, 2020, management fees were also comprised of \$35,000 for the former President and CEO.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

9. RELATED PARTY TRANSACTIONS(Cont'd.)

- (b) During the period ended January 31, 2021, the Company paid or accrued consulting fees of \$12,500 (2020 - \$nil) for the CFO and Corporate Secretary. During the nine months ended January 31, 2021, the Company capitalized geological consulting fees of \$nil (2020-\$4,000) to a company controlled by a former Director.
- (c) During the nine months ended January 31, 2021, the Company compensated various officers and directors of the Company with share-based compensation of \$692,476 (2020-\$nil) to a company controlled by a former Director.

10. SHARE CAPITAL

(a) Authorized and issued

Authorized: Unlimited common shares without par value.

On June 13, 2020, the Company completed a consolidation of its share capital on a one new for ten old basis. The share and per share amounts have been adjusted within these consolidated financial statements to reflect the share consolidation.

Issued during the period ended January 31, 2021:

On June 13, 2020, the Company completed a non-brokered private placement for 9,194,666 common shares at \$0.075 per share for proceeds of \$689,600. The Company transferred \$125,000 from share subscriptions received to share capital. No finder's fee was paid in connection to the private placement.

On July 20, 2020, the Company issued 527,500 common shares with fair value of \$105,500 to settle certain trade payables and accrued liabilities, and amounts due to related parties. The shares for debt settlement included the issuance of 302,500 common shares to settle \$60,500 due to related parties.

On September 21, 2020 the Company issued 12,400,000 common shares with fair value of \$2,542,000 in relation to the acquisition of 2743282 Ontario Inc (Note 3).

On November 25, 2020 the Company issued 14,000,000 common shares with fair value of \$2,100,000 and 1,153,846 finder's shares with fair value of \$173,077 in relation to the acquisition of 2752300 Ontario Inc (Note 3).

On January 13, 2021, the Company completed a non-brokered private placement for 2,001,667 units at a price of \$0.15 per unit for proceeds of \$300,250. Each Unit is comprised of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.20 per share for a period of two years. The Company also issued 7,050 finders shares and warrants in connection to the private placement. Each finder warrant is exercisable at a price of \$0.20 per share for a period of two years. The finder warrants are valued at \$3,185 determined using Black Scholes Option Pricing Model with the following assumptions: stock price - \$0.60; exercise price - \$0.20; expected life – 2 year; volatility – 99%; dividend yield – \$0; and risk-free rate – 0.16%.

Issued during the year ended April 30, 2020:

No shares were issued during the year ended April 30, 2020.

(b) Subscription receivable

No subscription receivable has been recorded as at January 31, 2021.

As at January 31, 2020, the Company had received \$350,000 for shares to be issued in a previous private placement.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

10. SHARE CAPITAL (Cont'd.)

(c) Shares to be issued

On June 13, 2020, the Company had transferred \$125,000 from share subscriptions received in advance to share capital as part of the private placement.

As at April 30, 2020, the Company had received \$125,000 for shares to be issued in the subsequent private placement.

(d) Share purchase warrants

Outstanding share purchase warrants at January 31, 2021 were as follows:

Expiry	Price (\$)	Outstanding April 30, 2020	Granted	Exercised	Expired	Outstanding January 31, 2021
August 30, 2020	3.00	82,500	-	-	(82,500)	-
November 20, 2020	2.60	300,000	-	-	(300,000)	-
March 28, 2021	2.00	2,430,000	-	-	-	2,430,000
February 27, 2023	3.33	200,000	-	-	-	200,000
January 13, 2021	0.20	-	2,008,717	-	-	2,008,717
		3,012,498	2,008,717	-	(382,500)	4,638,717

The weighted average remaining contractual life of the warrants outstanding at January 31, 2021 is 1.01 years.

Outstanding share purchase warrants at April 30, 2020 were as follows:

Expiry	Price (\$)	Outstanding April 30, 2019	Granted	Exercised	Expired	Outstanding April 30, 2020
April 21, 2020	2.50	599,000	-	-	(599,000)	-
August 30, 2020	3.00	82,500	-	-	-	82,500
November 20, 2020	2.60	300,000	-	-	-	300,000
March 28, 2021	2.00	2,430,000	-	-	-	2,430,000
February 27, 2023	3.33	199,998	-	-	-	199,998
		3,611,498	-	-	(599,000)	3,012,498

The weighted average remaining contractual life of the warrants outstanding at April 30, 2020 was 1.57 years.

On January 13, 2021, the Company granted 2,001,667 warrant with exercise price of \$0.20 as part of a private placement.

On January 13, 2021, the Company granted 7,050 finders warrant in connection with the completion of a private placement. These warrants had a fair value, calculated using the Black-Scholes option-pricing model of \$3,185 assuming an expected life of 2 years, a risk-free interest rate of 0.16%, an expected dividend rate of 0.00%, and an expected annual volatility of 99%.

On August 30, 2020, 82,500 warrants with exercise price of \$3.00 expired without exercise.

On November 20, 2020, 300,000 warrants with exercise price of \$2.60 expired without exercise.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

10. SHARE CAPITAL (Cont'd.)

(e) Share options outstanding

Pursuant to the policies of the TSX-V, the Company may grant incentive share options to its officers, directors, employees and consultants. The Company has implemented a fixed Share Option Plan (the “Plan”) whereby the Company has reserved 10% of the issued shares for issuance under the Plan. The exercise price of share options is determined by the board of directors of the Company at the time of granting and may not be less than the average closing price of the Company’s shares on the ten trading days immediately preceding the date on which the options are granted and publicly announced, and may not otherwise be less than \$0.33 per share. Options have a maximum term of five years and terminate after a certain number of days following the termination of the optionee’s term/employment, except in the case of death, in which case they terminate one year after the event.

A summary of the Company’s outstanding share purchase options as at January 31, 2021 and the changes during the period are presented below:

	Number of Options	Weighted Average Exercise Price
Balance – April 30, 2020	45,000	\$ 3.30
Granted	1,100,000	0.21
Cancelled / expired	(30,000)	(3.30)
Balance – January 31, 2021	1,115,000	\$ 0.26

Additional information regarding share options outstanding as at January 31, 2021 is as follows:

Outstanding and exercisable				
Exercise price	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price	Expiry Date
\$ 3.30	15,000	0.03	0.04	December 28, 2022
\$0.16	900,000	3.93	0.13	December 15, 2025
\$0.48	200,000	0.90	0.09	January 28, 2026
	1,115,000	4.86	0.26	

During the period ended January 31, 2021, 30,000 options expired without exercise upon the resignation of a former director.

On January 28, 2021, the Company granted 200,000 options to certain officers of the Company. These options had a fair value, calculated using the Black-Scholes option-pricing model of \$127,564 assuming an expected life of 5 years, a risk-free interest rate of 0.33%, an expected dividend rate of 0.00%, and an expected annual volatility of 184%.

On December 15, 2020, the Company granted 900,000 options to certain officers of the Company. These options had a fair value, calculated using the Black-Scholes option-pricing model of \$564,912 assuming an expected life of 5 years, a risk-free interest rate of 0.39%, an expected dividend rate of 0.00%, and an expected annual volatility of 182%.

On August 29, 2018, the Company granted 75,000 options to certain officers of the Company. These options had a fair value, calculated using the Black-Scholes option-pricing model of \$215,333 assuming an expected life of 5 years, a risk-free interest rate of 2.23%, an expected dividend rate of 0.00%, and an expected annual volatility of 178.28%.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

10. SHARE CAPITAL *(Cont'd.)*

(e) Share options outstanding (continued)

On September 6, 2018, the Company granted 85,000 options to certain officers and consultants of the Company. These options had a fair value, calculated using the Black-Scholes option-pricing model of \$235,501 assuming an expected life of 5 years, a risk-free interest rate of 2.15%, an expected dividend rate of 0.00%, and an expected annual volatility of 164.49%.

On February 19, 2019, the Company granted 250,000 options to certain consultants of the Company. These options had a fair value, calculated using the Black-Scholes option-pricing model of \$220,506 assuming an expected life of 5 years, a risk-free interest rate of 1.79%, an expected dividend rate of 0.00%, and an expected annual volatility of 159%.

On April 1, 2019, the Company granted 35,000 options to certain consultants of the Company. These options had a fair value, calculated using the Black-Scholes option-pricing model of \$41,091 assuming an expected life of 5 years, a risk-free interest rate of 1.58%, an expected dividend rate of 0.00%, and an expected annual volatility of 159%.

During the year ended April 30, 2019, 60,000 stock options with a weighted average exercise price of \$3.05 expired without exercise and 55,000 share options with a weighted average exercise price of \$2.80 were cancelled.

A total of 140,000 share options with a weighted average exercise price of \$2.49 expired without exercise during the year ended April 30, 2020.

Share-based payments

(a) Reserves

The Company's reserves consist of the fair value determined on granting of share options and warrants until such time that the share options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(b) Loss per share

The warrants and share options outstanding at January 31, 2021 and 2020 were not included in the calculation of diluted loss per share because they are anti-dilutive for the periods presented.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

11. SEGMENTED INFORMATION

The following table allocates total assets, liabilities, and comprehensive loss by geographic location:

	January 31, 2021	April 30, 2020
Total assets		
Canada	\$ 10,271,055	\$ 5,216,249
Chile	243	243
Total liabilities		
Canada	1,862,737	2,137,629

	January 31, 2021	April 30, 2020
Total loss		
Canada	\$ 1,147,956	\$ 1,314,035
Chile	-	607,257

12. FINANCIAL INSTRUMENTS

Fair Value Measurement

The Company's financial instruments consisted of cash, receivables, trade payables and accrued liabilities, amounts due to related parties and loans payable. The carrying value of cash, receivables, trade payables and accrued liabilities, and amounts due to related parties approximates their fair value due to the short period of time to maturity. The loans payable are booked at amortized costs.

Risk Disclosures

The Company's consolidated financial instruments are exposed to foreign currency risk, credit risk, interest rate risk and liquidity risk.

Foreign currency risk

The Company does conduct some of its business in US Dollars and is therefore exposed to variations in the foreign exchange rate. Management considers the foreign currency risk to be minimal, hence the Company does not use foreign currency hedges to manage this risk.

Credit risk

Credit risk reflects the risk that the Company may be unable to recover contractual receivables. The Company's receivables are due from the Government of Canada. Credit risk is minimal.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company's cash is currently held in non-interest bearing bank accounts and interest on the Company's loans payable are based on fixed rates, management considers the interest rate risk to be minimal.

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

12. FINANCIAL INSTRUMENTS (*Cont'd.*)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can do so only at excessive cost. The Company has significant financial liabilities outstanding including trade payables and accrued liabilities, loans payable and amounts due to related parties. The Company is exposed to the risk that it does not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient cash to meet these obligations, management will consider securing additional funds through equity transactions. The Company manages its liquidity risk by continuously monitoring forecast cash flow requirements to fund its operations. Management considers liquidity risk as high.

13. MANAGEMENT OF CAPITAL

The Company defines its capital as all components of shareholders' equity and cash. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company, is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and incentive share options. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. The Company's overall strategy with respect to management of capital remains unchanged for the period ended January 31, 2021.

14. CONTINGENCY

During the year ended April 30, 2020, the Company wrote-off \$796,905 of trade payables and accrued liabilities that have been outstanding for several years without any claims from the past vendors. The Company's position is that these trade payables are no longer due; however, there can be no guarantee that any of these vendors will not file a claim against the Company in the future. In such an event, the Company will defend its position that these liabilities are not payable. As at January 31, 2021, no claim has been made against the company in regards to the trade payables and accrued liabilities that have been written off during.

15. SUBSEQUENT EVENTS

On February 26, 2021, the Company completed a non-brokered private placement of flow-through units (the "FT Offering") and non-flow-through units (the "NFT Offering") (together, the FT Offering and NFT Offering are the "Private Placement") for combined proceeds of \$2,606,251.

Flow-Through Offering

The Company has issued 2,817,857 units (the "FT Units") at a price of \$0.35 per FT Unit for gross proceeds of \$986,249.95. Each FT Unit consists of one flow-through common share in the capital of the Company (the "Flow-Through Shares") and one half of one non-flow-through common share purchase warrant (with two half warrants being a "Warrant"). Each whole Warrant will entitle the holder to purchase one additional non-flow-through common share in the capital of the Company at an exercise price of \$0.50 per common share for a period of two years from the date of issuance. The Flow-Through Shares will qualify as flowthrough shares for purposes of the Income Tax Act (Canada). The gross proceeds of the FT Offering will be used to complete exploration and drilling activities on the Company's Starr Gold-Silver Project, and Sammy Ridgeline and Richview Pine PGM Projects (collectively, the "Projects") located in the Thunder Bay Mining District of Ontario, and other Canadian Exploration Expenses that will qualify as "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act (Canada).

METALLICA METALS CORP.

(formerly Cameo Industries Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited –Prepared by Management)

15. SUBSEQUENT EVENTS (*Cont'd.*)

Non-Flow-Through Offering

The Company has issued 5,400,002 non-flow-through units (the "Units") at a price of \$0.30 per Unit for gross proceeds of up to \$1,620,000.60. Each Unit consists of one non-flow-through common share in the capital of the Company and one non-flow-through common share purchase warrant. Each Warrant will entitle the holder to purchase one additional non-flow-through common share in the capital of the Company at an exercise price of \$0.50 per common share for a period of two years from the date of issuance. The proceeds of the NFT Offering will be used to complete exploration and drilling activities on the Company's Projects and for general corporate purposes. In connection with the Private Placement, the Company has paid finder's fee of \$69,015.03 in cash and issued a total of 203,900 finder's warrants ("Finder's Warrants"). Each Finder's Warrant is exercisable to acquire one common share at a price of \$0.50 per Warrant for a period of two years from issuance. All securities issued are subject to a statutory four month and one day hold period that will expire on June 27, 2021.