CLARITY GOLD CORP.
(formerly 1222991 B.C. Ltd.)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTH PERIOD ENDED MARCH 31, 2020

(Expressed in Canadian Dollars)

(UNAUDITED)

CLARITY GOLD CORP. (formerly 1222991 B.C. Ltd.)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Note		March 31, 2020		December 31, 2019
ASSETS					
Current assets					
Cash		$	30,727	$	145,451
GST receivable			6,522		4,022
			37,249		149,473
Long-term assets					
Deferred financing costs	5		50,000		-
Exploration and evaluation asset	3		90,449		90,449
TOTAL ASSETS		**$**	**177,698**	**$**	**239,922**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	4, 7	$	36,368	$	125,726
TOTAL LIABILITIES			36,368		125,726
SHAREHOLDERS' EQUITY					
Share capital	5		194,245		154,245
Deficit			(52,915)		(40,049)
TOTAL SHAREHOLDERS' EQUITY			141,330		114,196
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**177,698**	**$**	**239,922**

Approved on behalf of the Board of Directors on May 28, 2020:

"Andrew Male" Director *"Theo van der Linde"* Director

CLARITY GOLD CORP. (formerly 1222991 B.C. Ltd.)
CONDENSED INTERIM STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

		For the three months period ended March 31, 2020
EXPENSES		
Bank service fees	$	213
Professional fees		113
Registration and filing fees		12,540
NET LOSS AND COMPREHENSIVE LOSS	$	(12,866)
Basic and diluted loss per share	$	(0.00)
Weighted average number of common shares outstanding		9,856,593

See accompanying notes to the condensed interim financial statements

CLARITY GOLD CORP. (formerly 1222991 B.C. Ltd.)
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
THREE MONTHS PERIOD ENDED MARCH 31, 2020
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Share capital			
	Number of shares	Amount	Deficit	Total
Balance at September 11, 2019 (inception)	500,000	$ 2,500	$ -	$ 2,500
Shares issued for cash	7,150,000	143,000	-	143,000
Share issuance costs	-	(1,255)	-	(1,255)
Shares issued for exploration and evaluation asset	2,000,000	10,000	-	10,000
Net loss for the period	-	-	(40,049)	(40,049)
Balance at December 31, 2019	9,650,000	154,245	(40,049)	114,196
Shares issued for cash	400,000	40,000	-	40,000
Net loss for the period	-		(12,866)	(12,866)
Balance at March 31, 2020	10,050,000	$ 194,245	$ (52,915)	$ 141,330

CLARITY GOLD CORP. (formerly 1222991 B.C. Ltd.)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
THREE MONTHS PERIOD ENDED MARCH 31, 2020
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

		Three months period ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$	(12,866)
Net change in non-cash working capital accounts		
Increase in GST receivable		(2,500)
Decrease in accounts payable and accrued liabilities		(8,909)
Net cash used in operating activities		(24,275)
CASH FLOWS USED IN INVESTING ACTIVITY		
Exploration and evaluation assets		(80,449)
Net cash used in investing activity		(80,449)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash		40,000
Deferred financing costs		(50,000)
Net cash used in financing activities		(10,000)
Decrease in cash during the period		(114,724)
CASH, BEGINNING OF PERIOD		145,451
CASH, END OF PERIOD	**$**	**30,727**
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$	-
Taxes paid	$	-
Exploration and evaluation asset costs in accounts payable paid during the quarter	$	(80,449)

1. NATURE OF OPERATIONS

Clarity Gold Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on September 11, 2019. On November 1, 2019 the Company changed its name from 1222991 B.C. Ltd. to Clarity Gold Corp. The Company's head office and registered office are located at 223-1231 Pacific Boulevard, Vancouver, BC, V6Z 0E2.

The Company is currently evaluating its exploration and evaluation asset and has not determined whether its projects contain reserves that are economically recoverable. The recoverability of amounts recorded for the exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves. The Company's future capital requirements depend on many factors, including costs of exploration and development of the exploration and evaluation assets, cash flow from operations, costs to complete additional exploration, competition and global market conditions.

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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the period from inception on September 11, 2019 to December 31, 2019 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements have been prepared following the same accounting policies applied to the Company's audited financial statements.

Basis of measurement

These condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these condensed interim financial statements have been prepared on the historical-cost basis, except for certain financial assets and financial liabilities.

Foreign currency translation

The Company's reporting and functional currency of all its operations is the Canadian Dollar as this is the principal currency of the economic environment in which the Company operates. The functional currency determination was conducted through an analysis of consideration factors identified in IAS 21, The Effect of Changes in Foreign Exchange Rates.

Going concern assumption

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

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Going concern assumption *(continued)*

The Company is in the process of exploring the Empirical Project and it has not yet determined whether the property contains reserves that are economically recoverable. As at March 31, 2020 the Company had not advanced any property to commercial production and is not able to finance day to day activities through operations. During the three month period ended March 31, 2020, the Company incurred a net loss and comprehensive loss of $12,866 (From Inception, September 11, 2019 to December 31, 2019 - $40,049) and, as of that date, had an accumulated deficit of $52,915 (December 31, 2019 - $40,049) and working capital of $881 (December 31, 2019 - $23,747). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors form a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company has been successful in the past in raising funds for exploration, but there is no assurance that it will be able to continue to do so.

These condensed interim financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Significant accounting judgments, estimates and assumptions

The preparation of the Company’s condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

Impairment of Exploration and Evaluation assets - Assets or cash-generating units (“CGUs”) are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company’s mineral properties.

In respect of costs incurred for its exploration and evaluation assets, management has determined that the evaluation, development and related costs incurred, which have been capitalized, continue to be appropriately recorded on the statements of financial position at its carrying value as management has determined there are no indicators of impairment for its exploration and evaluation assetsas at March 31, 2020.

Usage of the going concern assumption - The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company’s ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Significant accounting judgments, estimates and assumptions *(continued)*

Treatment of deferred financing costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Management applies significant judgment to determine whether the completion of the transaction is considered likely.

3. EXPLORATION AND EVALUATION ASSETS

Empirical Project

The Empirical Project (“Empirical”) consists of 3 unpatented mineral claims totaling 5,401.36 hectares which are located in the Lillooet Mining Division of British Columbia, Canada. The Empirical claims are recorded with British Columbia’s Mineral Titles Online as being owned by James Rogers, the Company’s Director and CEO as bare trustee in favour of the Optionor pursuant to the terms of a Bare Trust agreement dated April 8, 2019 between the Optionor and Mr. Rogers.

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Empirical Project (continued)

Pursuant to the terms of the Option Agreement (the "Agreement"), the Company can earn a 100% interest in Empirical by making the following payments to the Optionor:

Terms and Due Dates
Issue 2,000,000 common shares by October 22, 2019 (issued at a value of $10,000)
Pay $50,000 within 5 days of the common shares being approved for listing on a stock exchange
Incur a minimum of $80,000 in exploration costs on Empirical by October 1, 2020 (incurred)
Incur a minimum of $200,000 in exploration costs on Empirical by October 1, 2021
Grant a 2% net smelter royalty ("NSR") to the Optionor upon exercise of the Agreement

The NSR is payable following commencement of commercial production. The Company has the right to reduce the NSR from 2% to 1% at any time prior to commencement of commercial production by paying $1,500,000 to the Optionor.

In addition to the terms outlined above, the Agreement contains a 5 km area of influence provision pursuant to which any claims staked by the Company within 5 km of the Empirical property boundary will automatically be included as part of the Agreement and subject to the 2% NSR.

During the period from inception on September 11, 2019 to December 31, 2019, the Company issued 2,000,000 common shares valued at $10,000 as acquisition costs and incurred $80,449 for exploration and evaluation costs as described below. No additional costs were incurred during the quarter ended March 31, 2020.

	March 31, 2020	December 31, 2019
Empirical Project		
Acquisition costs	$ 10,000	$ 10,000
Administration	10,493	10,493
Equipment rentals	2,320	2,320
Field expenditures	795	795
Geological	21,900	21,900
Mapping	12,000	12,000
Meals and lodging	5,288	5,288
Sampling	6,077	6,077
Transportation	21,576	21,576
	$ 90,449	$ 90,449

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2020	December 31, 2019
Accounts payable	$ 7,125	$ -
Accrued liabilities	29,243	125,726
	$ 36,368	$ 125,726

5. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common and preferred shares without par value.

As at March 31, 2020, the total common shares outstanding are 10,050,000 (December 31, 2019 - 9,650,000). Of the 10,050,000 common shares,9,150,000 common shares will be placed into escrow upon closing of the Company's Initial Public Offering (the "IPO") (note 9). The escrow agreements provide that 10% of the number of securities held thereunder will be released on closing of the Company's IPO. An additional 15% of the number of securities originally held thereunder shall be released on each of the 6 month, 12 months, 18 months, 24 months, 30 months and 36 months thereafter. These escrow shares may not be transferred, assigned or otherwise dealt without the consent of regulatory authorities.

Three month period ended March 31, 2020:

On January 28, 2020, the Company paid $25,000 representing the first 50% of a corporate finance fee, and $25,000 in due diligence costs in relation to the Company's proposed IPO (note 9). These expenditures were recorded as deferred financing costs.

On February 13, 2020, the Company completed a private placement of 400,000 common shares at $0.10 per share for gross proceeds of $40,000.

Inception on September 11, 2019 to December 31, 2019:

On September 11, 2019, the Company issued 500,000 common shares at $0.005 per share for gross proceeds of $2,500.

On October 1, 2019, the Company issued 2,000,000 common shares valued at $10,000 pursuant to the Empirical Project Option Agreement.

On December 31, 2019, the Company completed a private placement of 7,150,000 common shares at $0.02 per share for gross proceeds of $143,000. The Company paid $1,255 for finder's fee in connection with this private placement and included the fee in share issue costs.

6. FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company's cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at March 31, 2020, the Company has $36,368 (December 31, 2019 -$125,726) in accounts payable and accrued liabilities that are due within 90 days of period-end.

Currency risk

The Company currently has no foreign exchange risk as it conducts all of its business within Canada and in Canadian dollars.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements and there were no changes in the Company's capital management during the period.

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

6. FINANCIAL RISK MANAGEMENT (continued)

Fair Value Hierarchy

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

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

The fair value of the Company's financial instruments which includes cash, accounts payable, and accrued liabilities, approximates their carrying amount due to the short-term nature of these financial instruments.

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resource or obligations between related parties.

Amounts due to related parties consist of charges accrued for consulting fees, geological and exploration fees. These amounts are due to companies controlled by a director and officers. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The following amounts due to related parties are included in account payables and accrued liabilities:

	March 31, 2020	December 31, 2019
A company controlled by a Director and CEO of the Company	$ 10,000	$ 90,449
A company controlled by the CFO of the Company	2,000	2,000
	$ 12,000	$ 92,449

The Company did not have any transactions with a director/officers of the Company and companies that are controlled by a director/officers of the Company during the period ended March 31, 2020. The Company has identified all directors/officers as its key management personnel.

8. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at March 31, 2020, all the Company's assets were located in Canad**a.**

9. SUBSEQUENT EVENTS

The Company has filed a prospectus with the securities regulatory authorities in the Provinces of British Columbia, Alberta and Ontario and with the Canadian Securities Exchange (the "Exchange"), offering a minimum of 4,770,000 and a maximum of 6,000,000 common shares at $0.175 per share for minimum proceeds of $834,750 and a maximum of $1,050,000 as an IPO (the "Offering").

Pursuant to an agency agreement between the Company and Leede Jones Gable Inc. (the "Agent"), the Agent will receive a cash commission equal to 9% of the gross proceeds. As additional compensation, on the closing the Company has agreed to grant the Agent such number of non-transferable agent options as is equal to 9% of the common shares sold pursuant to the Offering, each of which will be exercisable into one common share at a price of $0.175 per common share for a period of 24 months from closing. The Company has granted to the Agent an option (the "Greenshoe Option"), exercisable by the Agent for a period of up to thirty days from the date of Closing, to purchase up to an additional 15% of the Offering at the offering price to cover over-allotments, if any. In the event the Agent exercises the Greenshoe Option in full, the total offering proceeds will be $1,207,500, the total Agent's Commission will be $108,675 and the net proceeds to the Company will be $1,098,825. The Agent was paid a corporate finance fee of $50,000 (note 5) plus applicable GST and will be reimbursed by the Company for expenses, including legal fees, incurred pursuant to the Offering.

The Company intends to adopt a stock option plan once approved by the Board. Options may be granted under the Stock Option Plan to such directors, officers, employees, or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of options will be determined by the Board, but after listing of the Common Shares on the Exchange such price will not be less than the minimum prevailing price permitted by the Exchange. All options granted under the Stock Option Plan will expire not later than the maximum exercise period as determined by the applicable securities laws and the policies of the Exchange. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; (iii) one year from the date of disability; or (iv) one year from the date of death. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.