

**NORAM VENTURES INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED APRIL 30, 2020**  
(Unaudited - Expressed in Canadian Dollars)

**Notice of No Auditor Review**

These unaudited consolidated interim financial statements of Noram Ventures Inc. (the "Company") have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

**NORAM VENTURES INC.**  
**CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)

	April 30 2020	January 31 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 25,644	\$ 10,868
GST receivable	7,826	4,772
Subscriptions receivable	-	8,500
Prepaid expenses	20,611	20,883
	54,081	45,023
<b>Property and equipment</b> (Note 3)	100,858	114,811
<b>Reclamation bond</b>	19,159	19,159
<b>Exploration and evaluation assets</b> (Notes 4 and 7)	3,018,696	3,018,696
<b>Total assets</b>	\$ 3,192,794	\$ 3,197,689
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable (Note 7)	\$ 129,419	\$ 168,447
Accrued liabilities	49,313	21,700
Loan from related party (Note 7)	60,000	-
Current portion of lease liability (Note 5)	55,223	53,865
	293,955	244,012
<b>Lease liability</b> (Note 5)	36,276	50,601
<b>Total liabilities</b>	330,231	294,613
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	11,045,783	10,981,618
Reserves (Note 6)	1,626,791	1,599,875
Deficit	(9,810,011)	(9,678,417)
<b>Total shareholders' equity</b>	2,862,563	2,903,076
<b>Total liabilities and shareholders' equity</b>	\$ 3,192,794	\$ 3,197,689

Nature of operations and going concern (note 1)

**Approved on behalf of the Board:**

Director "Arthur Brown"  
Arthur Brown

"Mark Ireton"  
Mark Ireton

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

**NORAM VENTURES INC.**  
**CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Unaudited - Expressed in Canadian Dollars)

	<b>For the three months ended</b>	
	<b>April 30</b>	
	<b>2020</b>	<b>2019</b>
<b>EXPENSES</b>		
Consulting fees	\$ 14,359	\$ 95,121
Corporate communication	36,266	975
Depreciation (Note 3)	13,953	22,804
Filing and transfer agent fees	1,593	11,549
Office and administrative	15,231	18,397
Professional fees	5,060	5,166
Rent	10,041	-
Share based compensation	26,916	-
Travel and promotion	4,139	27,962
<b>Loss from operations</b>	<b>(127,558)</b>	<b>(181,974)</b>
<b>Other item</b>		
Interest and finance expense (Notes 5 and 7)	(4,036)	(6,096)
Interest forgiven (Note 7)	-	6,309
<b>Net and comprehensive loss</b>	<b>\$ (131,594)</b>	<b>\$ (181,761)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>42,990,587</b>	<b>36,515,310</b>

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

**NORAM VENTURES INC.**  
**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended April 30	
	2020	2019
Cash provided by (used in):		
<b>Operating activities</b>		
Net loss	\$ (131,594)	\$ (181,761)
Adjustments		
Depreciation	13,953	22,804
Share based compensation	26,916	-
Non-cash working capital items		
GST receivables	(3,054)	220
Other receivables	8,500	-
Prepaid expenses	272	60,648
Accounts payable and accrued liabilities	(11,415)	(29,487)
	(96,422)	(127,576)
Interest paid on lease liability	4,036	6,096
<b>Net cash used in operating activities</b>	<b>(92,386)</b>	<b>(121,480)</b>
<b>Investing activities</b>		
Exploration and evaluation expenditures	-	(30,837)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(30,837)</b>
<b>Financing activities</b>		
Lease liability payments	(17,003)	(25,385)
Loan from related party	60,000	-
Shares issued for cash, net of share issue costs	64,165	36,850
<b>Net cash provided by financing activities</b>	<b>107,162</b>	<b>11,465</b>
<b>Change in cash</b>	<b>14,776</b>	<b>(140,852)</b>
<b>Cash, beginning of the period</b>	<b>10,868</b>	<b>251,697</b>
<b>Cash, end of the period</b>	<b>\$ 25,644</b>	<b>\$ 110,845</b>

**Supplemental disclosure with respect to cash flows (Note 11)**

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

**NORAM VENTURES INC.**  
**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share capital	Reserves	Deficit	Total
<b>Balance at January 31, 2019</b>	36,296,209	\$ 10,598,720	\$ 1,517,428	\$(9,171,399)	\$ 2,944,749
Shares issued:					
options exercised at \$0.15 to \$0.16 per share (Note 6)	100,000	30,682	(14,832)	-	15,850
warrants exercised at \$0.14 per share (Note 6)	150,000	21,000	-	-	21,000
Transition adjustment for leases per adoption of IFRS 16 (Note 5)	-	-	-	6,605	6,605
Net and comprehensive loss for the period	-	-	-	(181,761)	(181,761)
<b>Balance at April 30, 2019</b>	36,546,209	10,650,402	1,502,596	(9,346,555)	2,806,443
<b>Balance at January 31, 2020</b>	42,623,482	10,981,618	1,599,875	(9,678,417)	2,903,076
Shares issued:					
warrants exercised at \$0.14 per share (Note 6)	458,320	64,165	-	-	64,165
Share based payments (Note 6)	-	-	26,916	-	26,916
Net and comprehensive loss for the period	-	-	-	(131,594)	(131,594)
<b>Balance at April 30, 2020</b>	43,081,802	11,045,783	1,626,791	(9,810,011)	2,862,563

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

# NORAM VENTURES INC.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

---

### 1. Nature of operations and going concern

Noram Ventures Inc. ("Noram" or the "Company") was incorporated on June 15, 2010 under the Business Corporations Act (British Columbia). The Company, through its wholly owned subsidiary, Green Energy Resources Inc. ("Green Energy"), is in the business of acquiring, exploring and developing mineral exploration properties, primarily in the state of Nevada, USA. The Company's shares are listed on the TSX Venture Exchange ("TSX-V").

The address of the Company's registered and records office is 2150, 555 West Hastings Street, Vancouver, BC, V6B 4N6.

These consolidated interim financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The business of exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of resource property expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The Company will need access to capital to continue advancing its properties. Additional financing is subject to the global financial markets and prevailing economic conditions. These factors will likely make it more challenging to obtain financing. These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

These consolidated interim financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of operations and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate.

	<b>April 30 <u>2020</u></b>	<b>January 31 <u>2020</u></b>
Deficit	\$ (9,810,011)	\$ (9,678,417)
Working capital deficiency	\$ (239,874)	\$ (198,989)

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 duration and impact of the COVID-19 outbreak on the Company is not currently determinable but management continues to monitor the situation.

## **NORAM VENTURES INC.**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

---

## **2. Basis of presentation and statement of compliance**

### **Statement of compliance**

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited annual financial statements for the year ended January 31, 2020, which have been prepared in accordance with IFRS.

These consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

These consolidated financial statements are presented in Canadian dollars, which is the Company’s and its subsidiary’s functional currency.

### **Basis of consolidation**

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary Green Energy Inc. (“Green Energy”), incorporated under the laws of the State of Nevada on May 10, 2016.

### **Significant accounting judgments, estimates and assumptions**

The preparation of the Company’s consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and related disclosure. 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated interim financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

## **NORAM VENTURES INC.**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

---

#### **2. Basis of presentation and statement of compliance (continued)**

##### **Impairment**

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

##### **Recent accounting pronouncements**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.



**NORAM VENTURES INC.****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)***3. Property and equipment**

The following table summarizes the changes in the Company's equipment for the periods ended April 30, 2020 and January 31, 2020:

	<b>Computer Equipment</b>	<b>Furniture and Fixtures</b>	<b>Right-of-use Asset</b>	<b>TOTAL</b>
<b>Cost</b>				
Balance, January 31 2019	\$ 1,563	\$ 10,805	\$ -	\$ 12,368
Additions (Note 5)	-	2,050	159,831	161,881
<b>Balance, January 31 2020</b>	<b>\$ 1,563</b>	<b>\$ 12,855</b>	<b>\$ 159,831</b>	<b>\$ 174,249</b>
Additions	-	-	-	-
<b>Balance, April 30 2020</b>	<b>\$ 1,563</b>	<b>\$ 12,855</b>	<b>\$ 159,831</b>	<b>\$ 174,249</b>
<b>Accumulated Depreciation</b>				
Balance, January 31 2019	\$ 848	\$ 1,621	\$ -	\$ 2,469
Depreciation for the year	320	3,372	53,277	56,969
<b>Balance, January 31 2020</b>	<b>\$ 1,168</b>	<b>\$ 4,993</b>	<b>\$ 53,277</b>	<b>\$ 59,438</b>
Depreciation for the period	44	590	13,319	13,953
<b>Balance, April 30 2020</b>	<b>\$ 1,212</b>	<b>\$ 5,583</b>	<b>\$ 66,596</b>	<b>\$ 73,391</b>
<b>Net Book Value</b>				
<b>Balance, January 31 2020</b>	<b>\$ 395</b>	<b>\$ 7,862</b>	<b>\$ 106,554</b>	<b>\$ 114,811</b>
<b>Balance, April 30 2020</b>	<b>\$ 351</b>	<b>\$ 7,272</b>	<b>\$ 93,235</b>	<b>\$ 100,858</b>

On January 1, 2019, the Company entered into a lease agreement for corporate office space which expires December 31, 2021. Effective February 1, 2019, the Company transitioned to IFRS 16 and recognized this lease as a right-to-use asset, including a lease liability (see Note 5). The Company has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.

**4. Exploration and evaluation assets**

A summary of the capitalized acquisition and exploration expenditures on the Company's exploration and evaluation assets for the three months ended April 30, 2020 and year ended January 31, 2020 are as follows:

	<b>Clayton Valley Claims</b>
<b>Balance, January 31, 2019</b>	<b>\$ 2,778,654</b>
Exploration costs	240,042
<b>Balance, April 30, 2020 and January 31, 2020</b>	<b>3,018,696</b>

## **NORAM VENTURES INC.**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

---

#### **4. Exploration and evaluation assets (continued)**

##### **Clayton Valley, Nevada, USA**

The Company entered into an agreement to acquire mineral claims in Clayton Valley, Nevada. The Company paid USD\$ 100,000 (\$125,480) for the mineral claims, by way of a promissory note to the vendor and a Net Smelter Royalty ("NSR") of 2.5%. The promissory note and all accrued interest at the rate of 8% per annum is due on or before April 27, 2017. The definitive agreement and transfer of tenure was closed on April 27, 2016.

The Company subsequently acquired additional claims by way of staking.

On February 8, 2017, the Company entered into a definitive property option agreement (the "Option Agreement") with Caelan Capital Inc. ("Caelan") (formerly "Alba Minerals Inc."), whereby Caelan can acquire an interest in the lithium claims at Clayton Valley, Nevada and the Hector Lode lithium claims in San Bernardino County California.

In order to keep the Option Agreement in good standing and in force and effect, Caelan shall make mandatory payments to Green Energy Resources Inc. ("Green Energy") a wholly-owned subsidiary of the Company to acquire up a maximum of 50% interest in the claims by paying up to an aggregate of \$900,000, issuing 100,000 common shares of Caelan (the "Caelan" shares), and completing a NI 43-101 Technical Report on the drilling results by November 30, 2017. As at November 14, 2018, the date of the completion of the buy-back agreement (detailed below), Caelan had paid \$255,000.

On May 23, 2018, the Company purchased additional 140 lode claims for USD 64,680 (\$83,605).

On May 28, 2018, the Company entered into a property purchase agreement with Caelan to repurchase the 25% interest Caelan earned issuing 3,800,000 common shares with a fair value of \$1,140,000 and paying \$400,000 in cash (Note 6). On November 14, 2018, this transaction was completed.

On June 7, 2018, Green Energy filed a complaint in the Fifth Judicial Court of the State of Nevada against Centerstone Resources LLC ("Centerstone"), a Nevada limited liability company. On January 10, 2019, a settlement was reached with Centerstone and the Company received cash consideration of USD 50,000 (\$66,329).

During the year ended January 31, 2019, the Company decided not to proceed with the Lithium Brine project; therefore, impairment of \$161,176 was recognized.

## NORAM VENTURES INC.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended April 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

---

#### 5. Lease liability

On January 1, 2019, the Company entered into an office lease for a term of 36 months. Monthly lease rent payments are \$5,115. The fair value of the lease liability and the corresponding right of use asset was \$159,831 at February 1, 2019 determined through discounting the future cash flows at a borrowing rate of 10%. Upon initial recognition of the lease on February 1, 2019, an adjustment of \$6,605 was made to the opening deficit. During the year ended January 31, 2020, accretion of \$12,617 was recorded on the lease and is included in interest and finance expense in the consolidated statement of operations and comprehensive loss. The balance of the lease at April 30, 2020 is \$91,499 (January 31, 2020 - \$104,466).

During the three months ended April 30, 2020, the following amounts were recorded with respect to this lease agreement: interest of \$2,376 (2019 - \$6,096) was expensed and is included in interest and finance expense.

Lease transactions for the three months ended April 30, 2020 and the year ended January 31, 2020 are as follows:

<b>Balance, February 1, 2019 on transition</b>	\$ 153,226
Additions	-
Payments made	(61,377)
Accretion	12,617
<b>Balance, January 31, 2020</b>	<b>\$ 104,466</b>
Payments made	(15,343)
Accretion	2,376
<b>Balance, April 30, 2020</b>	<b>\$ 91,499</b>
Current portion	\$ 55,223
Long term portion	36,276
	<b>\$ 91,499</b>

---

#### 6. Share Capital

a) **Authorized:** Unlimited number of common shares with no par value

#### b) Issued and Outstanding

At April 30, 2020 there were 43,081,802 (January 31, 2020 – 42,623,482) issued and fully paid common shares.

## **NORAM VENTURES INC.**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

---

#### **6. Share Capital (continued)**

##### **b) Issued and Outstanding (continued)**

###### **2020**

On October 17, 2019, the Company issued 3,827,273 units pursuant to a non-brokered private placement at \$0.055 per unit for gross proceeds of \$210,500. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at the price of \$0.07 until October 17, 2024.

On November 28, 2019, the Company issued 2,200,000 units pursuant to a non-brokered private placement at \$0.055 per unit for gross proceeds of \$121,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at the price of \$0.07 until November 28, 2024. In connection with the November 28, 2019 private placement, the Company paid cash finders fees of \$7,260.

During the year ended January 31, 2020, the Company issued 150,000 common shares pursuant to the exercise of options at prices ranging from \$0.07 to \$0.16 per share for cash proceeds of \$19,351. An amount of \$18,307 was transferred from reserves to share capital upon exercise of these options.

During the year ended January 31, 2020, the Company issued 150,000 common shares pursuant to the exercise of warrants at a price of \$0.14 per share for gross proceeds of \$21,000.

During the three months ended April 30, 2020, the Company issued 458,320 common shares pursuant to the exercise of warrants at a price of \$0.14 per share for gross proceeds of \$64,165.

###### **2019**

During the year ended January 31, 2019, the Company issued 850,000 common shares pursuant to the exercise of options at prices ranging from \$0.15 to \$0.50 per share for cash proceeds of \$165,500. An amount of \$161,200 was transferred from reserves to share capital upon exercise of these options.

During the year ended January 31, 2019, the Company issued 70,000 common shares pursuant to the exercise of warrants at a price of \$0.50 per share for gross proceeds of \$35,000.

On October 11, 2018, the Company issued 11,962,476 units pursuant to a non-brokered private placement at \$0.105 per unit for gross proceeds in the amount of \$1,256,060. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at the price of \$0.14 until October 11, 2020. The Company paid finder's fees of \$58,648 in cash and 558,560 non-transferrable warrants with a fair value of \$58,341. Each warrant is exercisable into one common share at a price of \$0.14 until October 11, 2020. Consulting fees of \$6,000 owing to a director were converted into common shares at \$0.105 per share.

On November 14, 2018, the Company issued 3,800,000 common shares for property option payments for Clayton Valley mineral claim to earn a 25% interest at fair value of \$0.30 per share for a total fair value of \$1,140,000 (Note 4).

## **NORAM VENTURES INC.**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

---

#### **6. Share Capital (continued)**

##### **c) Stock Options**

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX Venture Exchange policies. The options can be granted for a maximum term of 5 years.

On February 5, 2020, the Company granted 650,000 stock options to a consultant of the Company, which are exercisable at \$0.165 for a period of 1 year until February 3, 2021. The estimated fair value of \$26,916, \$0.0414 a share, was expensed in the period ended April 30, 2020. It was calculated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 1.54%, expected life of 1 year, no annual dividend, and expected volatility of 78%.

On September 12, 2019, the Company granted 1,450,000 stock options to directors, officers and consultants of the Company, which are exercisable at \$0.07 for a period of 10 years until September 12, 2029. The estimated fair value of \$100,754, \$0.0695 a share, was expensed in the year ended January 31, 2020. It was calculated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 1.45%, expected life of 10 years, no annual dividend, and expected volatility of 78%.

On October 12, 2018, the Company granted 1,230,000 stock options to directors, officers and consultants of the Company, which are exercisable at \$0.16 for a period of 10 years until October 12, 2028. The estimated fair value of \$189,883, \$0.1544 a share, was expensed in the year ended January 31, 2019. It was calculated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 2.49%, expected life of 10 years, no annual dividend and expected volatility of 130%.

On September 4, 2018, the Company granted 800,000 stock options to directors, officers and consultants of the Company, which are exercisable at \$0.15 for a period of 5 years until September 4, 2023. The estimated fair value of \$91,141, \$0.1193 a share, has been expensed during the year. It was calculated for the options using the Black-Scholes model based on the following assumptions: risk-free interest rate of 2.16%, expected life of 5 years, no annual dividend, and expected volatility of 130%.

On May 18, 2018, the Company granted 1,900,000 stock options to directors, officers and consultants of the Company, which are exercisable at \$0.18 for a period of 10 years until May 18, 2028. The estimated fair value of \$435,232, \$0.2291 a share, has been expensed during the year. It was calculated for the options using the Black-Scholes model based on the following assumptions: risk-free interest rate of 2.48%, expected life of 10 years, no annual dividend, and expected volatility of 135%.

All of the options granted in 2020 and fiscal 2019 vested upon grant.

**NORAM VENTURES INC.****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)***6. Share Capital (continued)****c) Stock Options (continued)**

A summary of stock option activity is as follows:

	Three months ended		Year ended	
	April 30, 2020		January 31, 2020	
	Number of Options Exercisable	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding - beginning of period	3,630,000	\$ 0.170	2,420,000	\$ 0.17
Issued during the period	650,000	\$ 0.165	-	\$ -
Issued during the period	-	\$ -	1,450,000	\$ 0.07
Cancelled during the period	(30,000)	\$ 0.16	(90,000)	\$ 0.18
Exercised during the period	-	\$ -	(15,000)	\$ 0.15
Exercised during the period	-	\$ -	(50,000)	\$ 0.07
Exercised during the period	-	\$ -	(85,000)	\$ 0.16
Outstanding - end of period	4,250,000	\$ 0.135	3,630,000	\$ 0.13

The Company has the following options outstanding and exercisable:

Number of Options	Weighted Average Exercise Price	Weighted Average remaining contractual life	Expiry Date
650,000	\$ 0.165	0.76 years	February 3, 2021
335,000	\$ 0.150	3.35 years	September 4, 2023
1,050,000	\$ 0.180	8.05 years	May 18, 2028
815,000	\$ 0.160	8.46 years	October 12, 2028
1,400,000	\$ 0.070	9.38 years	September 12, 2029
4,250,000	\$ 0.135	6.70 years	

**NORAM VENTURES INC.****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)***6. Share Capital (continued)****d) Warrants**

Details of common share purchase warrants activity for the periods ending April 30, 2020 and January 31, 2020 are as follows:

	Three months ended		Year ended	
	April 30, 2020		January 31, 2020	
	Number of Warrants Exercisable	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	18,398,309	\$ 0.12	12,521,036	\$ 0.14
Unit warrants issued	-	\$ -	6,027,273	\$ 0.07
Warrants exercised	(458,320)	\$ 0.14	(150,000)	\$ 0.14
Outstanding - end of period	17,939,989	\$ 0.12	18,398,309	\$ 0.12

As at April 30, 2020, the following share purchase warrants were outstanding:

Number of Warrants Exercisable	Weighted Average Exercise Price	Weighted Average remaining contractual life	Expiry Date
11,912,716	\$ 0.14	0.45 years	October 11, 2020
3,827,273	\$ 0.07	4.47 years	October 17, 2024
2,200,000	\$ 0.07	4.58 years	November 28, 2024
17,939,989			

**e) Reserve**

The reserve consists of items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

## NORAM VENTURES INC.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

---

#### 7. Related Party Transactions

During the three months ended April 30, 2020, the Company had the following related party transactions:

a) The Company paid geological consulting fees to a company in which the CEO of the Company is a principal in the amount of \$Nil (April 30, 2019: \$30,836) of which \$Nil was capitalized in exploration and evaluation assets (April 30, 2019: \$30,836).

b) As at April 30, 2020, \$119,016 (January 31, 2020: \$119,016) is included in accounts payable with respect to fees and out of pocket expenses owing to a director and a company in which the CEO is a principal.

c) During the three months ended April 30, 2020, the Company received loans totaling \$60,000 from a company with a common director. These loans are unsecured and bear interest at the rate of 10% per annum. The loans will be repaid upon completion of the Company's next financing.

d) During the year ended January 31, 2019, the Company received loans totaling \$135,000 from directors or companies under their control. The loans were used to pay for the shares subscribed by the related party during the year. These loans bear interest at 12% per annum. Interest expense of \$6,309 was accrued during the year and was included in accrued liabilities at January 31, 2019. This interest was forgiven during the year ended January 31, 2020.

The Company had the following transactions with key management personnel:

	April 30, 2020	April 30, 2019
Management and consulting fees	\$ Nil	\$ Nil
Total	\$ Nil	\$ Nil

#### 8. Financial Instruments

##### Fair Values and Classification

The Company's financial instruments include cash, reclamation bond, and accounts payable. The carrying amounts of cash, reclamation bond and accounts payable approximate their fair values because of the short-term nature of these instruments.

IFRS 7 Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).



## NORAM VENTURES INC.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended April 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

#### 8. Financial Instruments (continued)

The following table summarizes the carrying values of the Company's financial instruments:

	April 30, 2020	January 31, 2020
	\$	\$
Financial assets at fair value through profit or loss (i)	44,803	30,027
Financial liabilities at amortized cost (ii)	129,419	168,447

(i) Cash and reclamation bond

(ii) Accounts payable

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

Cash	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at January 31, 2020	10,868	-	-	10,868
As at April 30, 2020	25,644	-	-	25,644

#### 9. Financial risk management objectives and policies

The risks associated with financial instruments and the policies on how to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### *Credit risk*

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash and reclamation bond are subject to credit risk for a maximum of the amounts shown on the statements of financial position. The Company limits its exposure to credit risk on cash by depositing only with reputable financial institutions.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company maintaining sufficient cash on hand through debt or equity financing. Liquidity risk is assessed as high.

Significant commitments in years subsequent to April 30, 2020 are as follows:

	Carrying value	Contractual Cash flows	Within 1 Year	1 - 5 Years
	\$	\$	\$	\$
Accounts payable	129,419	129,419	129,419	-
Lease liability	91,499	169,231	101,544	67,687

## **NORAM VENTURES INC.**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended April 30, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

---

#### **9. Financial risk management objectives and policies**

##### *Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company believes it has no significant foreign exchange risk.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company believes it has no significant interest rate risk.

#### **10. Capital management**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The capital structure of the Company consists of shareholder's equity, comprising issued capital and deficit. The Company is not exposed to any externally imposed requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

#### **11. Supplemental disclosure with respect to cash flows**

During the three months ended April 30, 2019:

- The Company entered into a lease for premises and at the lease commencement recorded a right-for-use asset in the amount of \$159,831 and a lease liability of \$153,226.

#### **12. Segmented information**

The Company operates in one reportable segment, being the identification, acquisition and exploration of mineral interests in the USA.