IMC International Mining Corp.

Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2019

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of IMC International Mining Corp. (the "Company") have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the nine months ended September 30, 2019 have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars.

IMC International Mining Corp.
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2019 and December 31, 2018
(Expressed in Canadian dollars)

	Note		September 30, 2019 (unaudited)		December 31, 2018 (audited)
ASSETS					
Current Assets					
Cash		$	200,418	$	1
GST receivable			6,115		-
			206,533		1
Non-current Assets					
Exploration and evaluation assets	5		255,973		-
TOTAL ASSETS		$	**462,506**	$	1
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities		$	122,484	$	18,900
SHAREHOLDERS' EQUITY (DEFICIT)					
Share capital	5		529,820		1
Contributed surplus			290,250		-
Accumulated deficit			(480,048)		(18,900)
Total equity (deficit)			**340,022**		(18,899)
TOTAL LIABILITIES AND SHAREHOLDER EQUITY (DEFICIT)		$	**462,506**	$	1

Going concern – Note 2
Subsequent events – Note 11

These financial statements were authorized for issue by the Board of Directors on November 21, 2019.

Approved on behalf of the Board of Directors:

"Brian Thurston", Director *"Mike Aujla",* Director

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

IMC International Mining Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2019 and for the period from incorporation on August 30, 2018 to September 30, 2018
(Expressed in Canadian dollars) (unaudited)

	For the three months ended September 30, 2019	For the nine months ended September 30, 2019	For the period ended September 30, 2018
EXPENSES			
Bank charges	$ 485	$ 841	$ -
Consulting	9,000	27,450	-
Filing fees	17,007	24,790	-
Office	2,823	3,044	-
Professional fees	45,894	112,284	-
Share-based payments	290,250	290,250	
Travel	-	1,336	-
TOTAL OPERATING EXPENSES	(365,459)	(459,995)	-
OTHER ITEMS			
Foreign exchange loss	(999)	(1,153)	-
TOTAL OTHER ITEMS	(999)	(1,153)	-
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (366,458)	$ (461,148)	$ -
Loss per share, basic and diluted	$ (0.03)	$ (0.08)	$ -
Weighted average number of common shares outstanding	11,570,821	5,681,557	1

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

(Expressed in Canadian dollars)

	Share Capital				
	Number	Amount	Contributed surplus	Deficit	Total Equity
		$	$	$	$
Incorporation, August 30, 2018	-	-	-	-	-
Common share issued for cash at incorporation	1	1	-	-	1
Net loss for the period	-	-	-	-	-
Balance, September 30, 2018	1	1	-	-	1
Net loss for the period	-	-	-	(18,900)	(18,900)
Balance, December 31, 2018	1	1	-	(18,900)	(18,899)
Shares issued pursuant to private placement	8,332,999	416,500	-	-	416,500
Shares issued pursuant to arrangement	3,246,621	113,319	-	-	113,319
Share-based payments	-	-	290,250	-	290,250
Net loss for the period	-	-	-	(461,148)	(461,148)
Balance, September 30, 2019	11,579,621	529,820	290,250	(480,048)	340,022

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

(Expressed in Canadian dollars)

		For the nine months ended September 30, 2019		For the period ended September 30, 2018
Cash (used in) provided by:				
OPERATING ACTIVITIES:				
Net loss for the period	$	(461,148)	$	-
Item not involving cash				
Share-based payments		290,250		-
Net changes in non-cash working capital items:				
GST receivable		(6,115)		-
Accounts payable and accrued liabilities		103,584		-
Net cash provided by operating activities		(73,429)		-
INVESTING ACTIVITIES:				
Exploration and evaluation assets		(142,654)		-
Net cash used in investing activities		(142,654)		-
FINANCING ACTIVITIES:				
Issuance of common shares		416,500		1
Cash provided by financing activity		416,500		1
Change in cash		200,417		1
Cash, beginning of period		1		-
Cash, end of period	$	200,418	$	1

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

1. NATURE OF OPERATIONS

IMC International Mining Inc. (the "Company" or "IMC") was incorporated under the laws of British Columbia on August 30, 2018, for the purposes of a plan of arrangement ("Arrangement") with Chemesis International Inc. ("Chemesis"). IMC's head and principal business address are all located at Suite 2710, 200 Granville Street, Vancouver, British Columbia V6C 1S4. IMC's registered and records office address is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8. On September 25, 2019, the Company began trading on the CSE market under the symbol IMCX.

On February 1, 2019, Chemesis and the Company completed a reorganization transaction by way of the Arrangement whereby, Chemesis undertook a reorganization and spin-out of various interests in minerals located in the vicinity of the Harcuvar and Harquahala Mountains, Yavapai County, Arizona (the "Bullard Pass Property") to IMC.

On February 1, 2019, Chemesis transferred all of the issued and outstanding common shares of its wholly owned subsidiary, Canadian Mining of Arizona Inc. ("CMAI"), to IMC in exchange for 3,246,621 IMC common shares. Further, the Company granted 305,000 options at a weighted average exercise price of $1.02 per option and 229,014 warrants at an exercise price of $1.00.

After completion of the Arrangement, IMC now owns 100% of CMAI along with the assets of the Bullard Pass Property. IMC intends to operate as a gold mineral exploration and development company and will continue to advance its Bullard Pass Property and seek other mining assets.

2. GOING CONCERN

The Company has no current source of operating revenue and is accordingly dependent upon the receipt of equity and/or related party debt financing on terms which are acceptable.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that 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 operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

3. BASIS OF PRESENTATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They 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 fiscal year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on November 21, 2019.

3. BASIS OF PRESENTATION (CONTINUED)

3.1. Basis of measurement

These condensed consolidated interim financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, revenue and expense. Certain items are stated at fair value.

3.2. Significant judgments, estimates and assumptions

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually 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. Actual results could differ from these estimates.

Critical Accounting Judgments

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to the entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which the entity operations and is re-evaluated when facts and circumstances indicate that conditions have changed.

Critical Accounting Estimates

Income Taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

3. BASIS OF PRESENTATION (CONTINUED)

Exploration and evaluation assets

The Company is required to make significant judgments regarding the capitalization of the costs incurred in respect to its exploration and evaluation assets. The Company is also required to make significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the development of a specific area is unlikely, and exploration and evaluation properties should be impaired. Management has assessed impairment indicators on the Company's exploration and evaluation properties and has concluded that no impairment indicators existed as of September 30, 2019.

4. SIGNIFICANT ACCOUNTING POLICIES

With the exception of the recently adopted accounting policies below, these condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended December 31, 2018.

4.1 Functional Currency

The functional currency is the currency of the primary economic environment in which an entity operates and may differ from the currency in which the entity enters transactions. The functional currency of the Company is the Canadian dollar. The functional currency of CMAI, is the Canadian dollar. The presentation currency of the consolidated entity is the Canadian dollar.

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the statement of financial position, while non-monetary assets and liabilities are translated at historical rates.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded as a component of net loss in the period in which they occur.

The results of operations and financial position of each subsidiary where the functional currency is different from the presentation currency are translated as follows: assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; expenses are translated at exchange rates prevailing at the dates of the transactions, all resulting exchange differences are recognized in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Exploration and Evaluation Assets

(i) Pre-license costs:

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred.

(ii) Exploration and evaluation costs:

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized as incurred, unless future economic benefit is not expected to be realized. The Company capitalizes, on a property by property basis, the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold or considered impaired in value. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not depreciated during the exploration and evaluation stage.

Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

4.3 Decommissioning and Restoration

The Company is subject to various governmental laws and regulations relating to the protection of the environment. The environmental regulations are continually changing and are generally becoming more restrictive.

Decommissioning and restoration obligations encompass legal, statutory, contractual or constructive obligations associated with the retirement of a long-lived tangible asset (for example, mine reclamation costs) that results from the acquisition, construction, development and/or normal operation of a long-lived asset. The retirement of a long-lived asset is reflected by an other-than-temporary removal from service, including sale of the asset, abandonment or disposal in some other manner.

The fair value of a liability for decommissioning and restoration is recorded in the period in which the obligation first arises. The Company records the estimated present value of future cash flows associated with site closure and reclamation as a long-term liability and increases the carrying value of the related assets for that amount. Over time, the liability is increased to reflect an interest element in the estimated future cash flows (accretion expense) considered in the initial measurement of fair value. The capitalized cost is depreciated on either the unit-of-production basis or the straight-line basis, as appropriate. The Company's estimates of its provision for decommissioning and restoration obligations could change as a result of changes in regulations, changes to the current market-based discount rate, the extent of environmental remediation required, and the means of reclamation or cost estimates. Changes in estimates are accounted for in the period in which these estimates are revised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Decommissioning and Restoration (continued)

As at September 30, 2019, the Company has determined that it does not have any decommissioning and restoration obligations related to current or former operations.

4.4 Impairment of tangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, 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 between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4.5 Changes in Significant Accounting Policies

Accounting standards adopted during the period

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2019, or later periods. New standards and updates, which are not applicable or are not consequential to the Company, have been excluded from the list below.

IFRS 16, *Leases*, specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 is effective for years beginning after January 1, 2019. There was no impact on the Company's financial statements pursuant to adopting this standard.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

The Company has 171 mineral claims in the vicinity of the Harcuvar and Harquahala Mountains, Yavapai County, Arizona, United states.

On February 1, 2019, the Company completed the spin out transaction to acquire the mineral property claims described above. A summary of the capitalized acquisition and exploration expenditures and accumulated totals for the nine months ending September 30, 2019 are as follows:

	Amount ($)
Balance at August 30, 2018	**-**
Additions during the period	
Claim fees	-
Balance at December 31, 2018	-
Additions during the period	
Mineral interest – pursuant to spin out transaction	113,319
Core logging	22,797
Geologist and assaying	119,857
Balance at September 30, 2019	255,973

6. EQUITY

6.1 Authorized Share Capital

Unlimited number of common shares with no par value.

6.2 Shares Issued

Shares issued and outstanding as at September 30, 2019 are 11,579,621 common shares.

During the period ended September 30, 2019, the Company issued:

i. 3,246,621 common shares pursuant to an arrangement to spin-out assets (Note 1).

ii. 8,300,000 units at a price of $0.05 per unit for total proceeds of $415,000 and 33,000 shares at a price of $0.05 per share for total net proceeds of $1,500. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to acquire one additional common share of the Company at an exercise price of $0.10 for a period of two years from the date of issuance.

(Expressed in Canadian dollars)

6. EQUITY (CONTINUED)

6.3 Warrants

As of September 30, 2019, the following warrants were outstanding:

	Warrants	Weighted average exercise price
December 31, 2018 and August 30, 2018	-	-
Spin-out warrants*	229,014	0.03
Expired	(229,014)	(0.03)
Issued	8,300,000	0.10
September 30, 2019	8,300,000	**$** 0.10

Expiry date	Warrants	Exercise price
April 18, 2021	8,300,000	$ 0.10

At September 30, 2019, the weighted-average remaining life of the outstanding warrants was 1.51 years.

6.4 Options and Share-based Compensation

The Company has adopted a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the CSE. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority. Stock options granted to any person engaged in investor relations activities will vest over a period of not less than 12 months with no more than 25% of the stock options vesting in any three-month period. The exercise price of any stock options granted under the plan shall be determined by the Board but may not be less than the market price of the common shares on the Exchange on the date of grant (less any discount permissible under Exchange rules). The term of any stock options granted under the plan shall be determined by the Board at the time of grant but may not exceed ten years.

During the nine months ended September 30, 2019, the Company granted 305,000 options pursuant to the spin out transaction and 1,150,000 options to officers, directors and consultants. Total share-based payment expense recognized was $290,250 (2018 - $nil).

(Expressed in Canadian dollars)

6. EQUITY (CONTINUED)

The fair value of the share options granted was estimated on the date of grant using the Black-Scholes Pricing Model with the following weighted average assumptions:

	Period ended September 30, 2019	Period from incorporation to September 30, 2018
Strike price	$0.32	-
Risk free interest rate	1.34%	-
Expected option life (years)	5 years	-
Expected stock price volatility	110%	-
Dividend payments during life of option	Nil	-
Expected forfeiture rate	Nil	-

Option pricing models require the input of highly speculative assumptions, including the expected future price volatility of a company's shares. Expected volatility has been estimated based on historical volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options.

The following stock options issued under the stock option plan:

	Options	Weighted average exercise price
December 31, 2018 and September 30, 2018	-	-
Spin-out options	305,000	1.02
Granted	1,150,000	0.32
Expiry of options	(7,500)	1.00
September 30, 2019	1,447,500	0.46

At September 30, 2019, the weighted average remaining life of the outstanding options was 4.73 years. No options were outstanding as at September 30, 2018.

	Outstanding and exercisable		
Expiry date	Number of options	Exercise price	Remaining contractual life (years)
June 9, 2022	17,500	0.50	2.69
August 18, 2022	15,000	1.10	2.88
July 22, 2023	240,000	1.00	3.81
September 27, 2023	10,000	1.74	3.99
November 6, 2023	15,000	1.40	4.10
September 24, 2024	1,150,000	0.32	4.99
	1,447,500	0.46	4.73

(Expressed in Canadian dollars)

7. RELATED PARTY DISCLOSURES

Key management personnel are the directors and officers of the Company. Management compensation transactions for the six months ended September 30, 2019 is summarized as follows:

	September 30, 2019
Management fees	$ 37,450
Share-based payments	100,957
Total	$ 138,450

During the nine months ended September 30, 2019, $37,450 was paid to an officer of the company for CEO and geology related services provided. Of this amount, $10,000 was capitalized to exploration and evaluation assets (Note 5).

As of September 30, 2019, $nil is owed to a Director and Officer for unpaid fees.

8. LOAN FACILITY

As of September 30, 2019, the Company has access to a loan facility for proceeds up to $400,000 to be used to complete exploration and evaluation activities. To date, no amounts have been borrowed.

9. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its cash and share capital.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements.

10. RISK MANAGEMENT

10.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital Risk
The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of share capital.

b. Credit Risk
Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk is low.

c. Liquidity Risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at September 30, 2019, the Company's working capital is $84,049 (December 31, 2018 - $18,899 deficiency), and it does not have any long-term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company has cash of $200,418, GST receivable of $6,115, and accounts payable and accrued liabilities of $122,484.

a. Market Risk
Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

10.2 Fair Values

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Cash is measured at fair value using level 1 inputs. The carrying value of accounts payable approximates its fair values due to its short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

11. SUBSEQUENT EVENT

On October 9, 2019, the Company completed a private placement issuing 2,023,075 units at a price of $0.26 per unit for total proceeds of $526,000. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable for one common share a price of $0.32 for a period two years from the date of issuance.