ACADEMY METALS INC.

(formerly Unity Metals Corp.)

Interim Financial Statements

For the nine months ended December 31, 2019

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited interim financial statements of Academy Metals 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.

ACADEMY METALS INC. (FORMERLY UNITY METALS CORP.)
Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31 2019	March 31 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 27,037	$ 624,674
Receivables	3,237	6,535
Total current assets	30,274	631,209
Exploration and evaluation assets (Note 4)	541,813	158,750
TOTAL ASSETS	$ 572,087	$ 789,959
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	$ 187,870	$ 149,900
Loans payable (Note 6)	795,412	123,023
TOTAL LIABILITIES	983,282	272,923
EQUITY (DEFICIENCY)		
Share capital (Note 5)	10,398,460	10,385,460
Reserves (Note 5)	709,307	709,307
Deficit	(11,518,962)	(10,577,731)
TOTAL EQUITY (DEFICIENCY)	(411,195)	517,036
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	$ 572,087	$ 789,959

Nature and continuance of operations (note 1)

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

Approved on behalf of the Board

Director *"Peter Born"*
Peter Born

Director *"Richard Ko"*
Richard Ko

ACADEMY METALS INC. (FORMERLY UNITY METALS CORP.)

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	For the three months ended December 31		For the nine months ended December 31	
	2019	**2018**	**2019**	**2018**
EXPENSES				
Accretion expense	$ 1,963	$ -	$ 5,889	$ -
Consulting and management fees (Note 6)	6,900	6,900	20,700	77,700
Corporate communications	-	-	832,617	-
Office and general	6,227	17,815	17,119	51,610
Professional fees	-	4,896	15,597	6,321
Regulatory and filing fees	1,309	4,567	8,550	9,947
Loss from operations for the period	(16,399)	(34,178)	(900,472)	(145,578)
Other items				
Gain on settlement of debt	-	-	-	36,411
Loss on fair value of derivative (note 3)	-	(1,918)	-	(13,830)
Interest expense	(15,183)	-	(40,759)	-
	(15,183)	(1,918)	(40,759)	22,581
Net and comprehensive loss for the period	$ (31,582)	$ (36,096)	$ (941,231)	$ (122,997)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.05)	$ (0.01)
Weighted average number of common shares outstanding	17,800,798	13,960,146	17,784,980	12,496,580

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

ACADEMY METALS INC. (FORMERLY UNITY METALS CORP.)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note	Number of Shares	Share capital	Reserves	Deficit	Total Equity (Deficiency)
Balance at April 1, 2018		11,760,798	$ 9,739,106	$ 693,602	$ (10,386,512)	$ 46,196
Shares issued for cash	**5**	3,020,000	271,800	-	-	271,800
Share issue costs		-	(5,046)	-	-	(5,046)
Net loss		-	-	-	(122,997)	(122,997)
Balance at December 31, 2018		14,780,798	$ 10,005,860	$ 693,602	$ (10,509,509)	$ 189,953
Balance at April 1, 2019		17,700,798	10,385,460	709,307	(10,577,731)	517,036
Consolidation adjustment		(9)	-	-	-	-
Shares issued:						
warrants exercised at $0.13 per share	**5**	100,000	13,000	-	-	13,000
Net loss		-	-	-	(941,231)	(941,231)
Balance at December 31, 2019		17,800,789	$ 10,398,460	$ 709,307	$ (11,518,962)	$ (411,195)

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

ACADEMY METALS INC. (FORMERLY UNITY METALS CORP.)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the nine months ended December 31	
Cash provided by (used for):	**2019**	**2018**
Operating activities		
Net loss	$ (941,231)	$ (122,997)
Adjustments for non-cash items:		
Gain on settlement of debt	-	(36,411)
Loss on fair value of derivative	-	13,830
Accretion expense	5,889	-
Working capital adjustments:		
Receivables	3,298	(5,640)
Accounts payable and accrued liabilities	37,970	90,532
Net cash flows used in operating activities	(894,074)	(60,686)
Investing activities		
Additions to exploration and evaluation assets	(383,063)	-
Net cash flows used in investing activities	(383,063)	-
Financing activities		
Loan advances	690,000	130,875
Loan repayments	(23,500)	-
Exercise of warrants	13,000	-
Proceeds from issuance of shares	-	271,800
Share issue costs	-	(5,046)
Net cash flows from financing activities	679,500	397,629
Change in cash	(597,637)	336,943
Cash, beginning of period	624,674	3,017
Cash, end of period	$ 27,037	$ 339,960

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

1. Nature and continuance of operations

Academy Metals Inc. (formerly "Unity Metals Corp." or the "Company") is in the business of the acquisition and exploration of its exploration and evaluation assets. The Company is currently in the exploration stage of developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The Company is listed on the TSX Venture Exchange ("TSX-V").

The Company's head office, principal address and registered and records office is 313 – 515 West Pender Street, Vancouver, B.C., V6B 6H5.

These interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2019, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company has incurred operating losses since inception and at December 31, 2019, had a cumulative deficit of $11,518,962. These uncertainties cast significant doubt about the Company's ability to continue as a going concern.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from proceeds of private placements of its common shares.

These interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Significant accounting policies and basis of presentation

Basis of presentation

These 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 March 31, 2019, which have been prepared in accordance with IFRS.

These interim financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

These interim financial statements were approved by the board of directors for issue on February 28, 2020.

2. Significant accounting policies and basis of presentation (cont'd)

Significant accounting judgments, estimates and assumptions

The preparation of the Company's 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 and contingent liabilities at the date of the consolidated 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. 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 interim financial statements:
- the determination that the Company will continue as a going concern for the next year.
- 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.

Recent accounting pronouncements

IRFS 16 Leases is effective for accounting periods beginning on or after January 1, 2019. This standard sets out a new model for lease accounting. The Company believes that the adoption of this standard has not had a significant impact on its financial statements.

New accounting standards issued but not yet effective

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.

3. Loss on Fair Value of Derivatives

For the nine months ended December 31, 2018, the Company recognized an unrealized loss on changes in fair value of the 92 Resource Corp. warrants of $13,830 as part of the loss for the period. The warrants expired unexercised on February 16, 2019.

4. Exploration and evaluation assets

Margurete Gold Property (British Columbia, Canada)

On September 5, 2017, the Company entered into an agreement to earn 100% interest in certain mineral claims, referred to as the "Margurete Gold Property" by paying the following:

- $50,000 in cash;
- A further $90,000 in 18 months;
- A further $200,000 in 36 months;
- The Company must complete $300,000 exploration expenditures within 5 years of the signing of the agreement.

The purchaser has the right to accelerate any of the payments completed under this agreement.

4. Exploration and evaluation assets (cont'd)

Margurete Gold Property (British Columbia, Canada) **(cont'd)**

A 1% GORR has been granted to the vendor, of which ½% can be purchased by the Company for $1,000,000.

During the year ended March 31, 2018, the Company incurred $50,000 in acquisition expenditures and $35,480 in exploration expenditures on the Margurete Gold Property.

On June 6, 2018, the Company amended its Option Agreement for the Margurete Property, originally dated September 5, 2018. Under the amended terms, the previous GORR ("Gross Overriding Royalty") will be replaced with an NSR ("Net Smelter Return"). The arms-length Vendor shall retain a one percent (1%) NSR, with a buyback provision of one-half percent (1/2%) to the Company for $1,000,000. All other terms and conditions of the original Option Agreement remain in full force and effect.

On August 7, 2019, the Company announced that it had received a default notice from the vendor with respect to an option agreement entered into by the Company in connection with the acquisition of the Margurete Gold Property ("Margurete"). The default relates to certain option commitments which the Company has been unable to satisfy with current working capital.

The Company is currently in discussions with the vendor in an attempt to renegotiate the terms of the option and extend the payment deadline which would allow the Company to retain Margurete and continue its exploration program.

During the nine months ended December 31, 2019, the Company incurred $Nil (2018 - $108,738) in exploration expenditures on the Margurete Gold Property.

a) Hewitt Point Project

On March 5, 2019, the Company staked an additional 530 hectares of minerals claims in the Philips Arm Gold Camp. These additional claims are known as the Hewitt Point Project and expand the Margurete Gold Project.

b) Enid Project

On April 8, 2019, the Company acquired an additional 739 hectares of mineral claims in the Phillips Arm Gold Camp known as the Enid Project which adjoins the Company's Margurete Gold Project. The additional claims comprising the Enid Project were purchased from an arm's length vendor for a one-time cash payment of $300,000. In connection with the acquisition, the Vendor retained a 2.0% net smelter returns royalty, and one-half of the royalty may be purchased for a cash payment of $1,000,000.

During the nine months ended December 31, 2019, the Company incurred $300,000 in acquisition expenditures and $81,769 in exploration expenditures on the Enid Project.

c) Loughborough Claims

On June 17, 2019, the Company acquired by staking an additional 739 hectares mineral claim, increasing the Company's holdings in the Philips Arm Gold Camp. This claim connects the Margurete Gold property to the western extent of Loughborough Inlet. During the nine months ended December 31, 2019, the Company incurred staking costs for this claim in the amount of $1,294.

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and evaluation assets (cont'd)

A summary of the Company's exploration and evaluation assets is shown below:

	Loughborough Claims	Enid Project	Margurete Gold	Other	Total
Acquisition Costs					
Balance, March 31, 2019	$ -	$ -	$ 50,000	$ 4	$ 50,004
Additions	1,294	300,000	-	-	301,294
Disposition	-	-	-	-	-
Impairment	-	-	-	-	-
Balance, December 31, 2019	1,294	300,000	50,000	4	351,298
Exploration Costs					
Balance, March 31, 2019	-	-	108,738	8	108,746
Additions	-	81,769	-	-	81,769
Disposition	-	-	-	-	-
Impairment	-	-	-	-	-
Balance, December 31, 2019	-	81,769	108,738	8	190,515
Total March 31, 2019	$ -	$ -	$ 158,738	$ 12	$ 158,750
Total December 31, 2019	$ 1,294	$ 381,769	$ 158,738	$ 12	$ 541,813

5. Share capital

Authorized share capital

Unlimited number of common shares without par value

Issued share capital

2018

On September 27, 2017, the Company issued 1,414,550 common shares for total gross proceeds of $155,601. Of the amount subscribed, $106,101 was offset against existing accounts payable and $49,500 was offset against short term loans.

On November 22, 2017, the Company issued 1,800,000 common shares for total gross proceeds of $180,000. Of the amount subscribed, $160,000 was offset against existing accounts payable.

On January 31, 2018, the Company issued 1,525,000 common shares for total gross proceeds of $137,250. Of the amount subscribed, $107,550 was offset against existing accounts payable.

2019

On October 25, 2018, the Company issued 3,020,000 units for total gross proceeds of $271,800. Share issue costs related to the private placement totaled $5,046. Each unit consists of one non-flow through common share and one transferrable share purchase warrant exercisable at a price of $0.13 per share for a period of 3 years.

During the year ended March 31, 2019, 370,833 warrants expired or were cancelled by the Company.

(Unaudited - Expressed in Canadian Dollars)

5. Share capital (cont'd)

On February 22, 2019, the Company issued 2,920,000 common shares pursuant to the exercise of warrants at a price of $0.13 per share for total cash proceeds of $379,600.

On April 4, 2019, the Company issued 50,000 common shares pursuant to the exercise of warrants at a price of $0.13 per share for total cash proceeds of $6,500.

On June 10, 2019, the Company issued 25,000 common shares pursuant to the exercise of warrants at a price of $0.13 per share for total cash proceeds of $3,250.

On July 4, 2019, the Company issued 25,000 common shares pursuant to the exercise of warrants at a price of $0.13 per share for total cash proceeds of $3,250.

Share-based payment reserve

Share-based payment reserve records the fair value of warrants and options issued for services until such time that the options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Stock options

The Company has a Stock Option Plan (the "Plan"), which follows the policies of the TSX-V regarding stock option awards granted to employees, directors and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

As at December 31, 2019 and March 31, 2019, there were no outstanding options.

Warrants

Warrant activity for the periods ended December 31, 2019 and March 31, 2019 is presented below:

	December 31 2019		March 31 2019	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	100,000	$ 0.13	370,833	$ 0.30
Expired	-	-	(370,833)	0.30
Granted	-	-	3,020,000	0.13
Exercised	(100,000)	0.13	(2,920,000)	0.13
Outstanding - end of period	-	$ 0.13	100,000	$ 0.13

At December 31, 2019, the Company had no warrants outstanding.

(Unaudited - Expressed in Canadian Dollars)

6. Related party transactions

During the nine months ended December 31, 2019, the Company:
a) Incurred management fees of $Nil (2018 - $60,000) to a former director of the Company;
b) Incurred consulting fees of $7,200 (2018 - $4,200) to directors of the Company.
c) Incurred consulting fees of $13,500 (2018 - $13,500) to a company controlled by a common director.
d) A director, a former director and a company controlled by a common director have provided loans to the Company and as at December 31, 2019 the total outstanding is $52,750. These loans are unsecured and bear interest at 10% per annum. Included in accrued liabilities is accumulated interest owing on these loans of $7,530 (2018 - $1,484).
e) Incurred interest expense on loans from two directors and a former director of $5,100 (2018 - $1,484).

In addition to the loans described above, at December 31, 2019, the Company owed a total of $99,645 (2018 - $80,400) to directors, a former director and a company controlled by a common director for management and consulting fees. Details are as follows: $77,400 (2018 - $77,400) to a former director, $3,990 (2018 - $3,747) to two directors and $18,255 (2018 - $3,000) to a company controlled by a common director. These balances have been recorded in accounts payable and accrued liabilities.

The Company had the following transactions with key management personnel:

	Nine Months Ended	
	December 31, 2019	**December 31, 2018**
Management and consulting fees	$ 20,700	$ 77,700
Share based compensation	-	-
Total	$ 20,700	$ 77,700

7. Accounts payable and accrued liabilities

		December 31 2019		**March 31 2019**
Trade and interest payable	$	133,970	$	84,899
Accrued liabilities		53,900		65,000
	$	187,870	$	149,899

8. Capital management

The Company manages its capital structure, consists of working and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. 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 exploration and evaluation assets in which the Company currently has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

8. Capital management (cont'd)

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the period ended December 31, 2019.

9. Financial instruments and risk management

Financial instruments

Fair value
As at December 31, 2019, the Company's financial instruments consisted of cash, receivables, and trade and other payables and their fair values approximate their carrying values.

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 which are observable for the asset or liability either directly or indirectly;
Level 3: Inputs that are not based on observable market data

Risk management

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 majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk on its GST receivable is minimal since it is recoverable from the Canadian government.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to incur interest expense on loan payable balances at fixed rates. The risk is minimal.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources.

10. Subsequent Events

There are no subsequent events to report.