ACADEMY METALS INC.

(formerly Unity Metals Corp.)

Interim Financial Statements

For the six months ended September 30, 2020

(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)

		September 30 2020		March 31 2020
ASSETS				
Current assets				
Cash	$	29,232	$	23,875
Receivables		7,510		4,641
Total current assets		36,742		28,516
Exploration and evaluation assets (Note 4)		544,312		541,812
	$	581,054	$	570,328
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 6, 7 & 8)	$	281,555	$	231,725
Loans payable (Note 7 & 8)		822,375		797,375
		1,103,930		1,029,100
EQUITY (DEFICIENCY)				
Share capital (Note 5)		10,398,460		10,398,460
Reserves (Note 5)		709,307		709,307
Deficit		(11,630,643)		(11,566,539)
		(522,876)		(458,772)
	$	581,054	$	570,328

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)

	Three months ended September 30		Six months ended September 30	
	2020	**2019**	**2020**	**2019**
EXPENSES				
Accretion expense	$ -	$ 1,963	$ -	$ 3,926
Consulting and management fees (Note 8)	6,900	6,900	13,800	13,800
Corporate communications	475	2,420	475	832,617
Office and general	4,589	5,171	10,016	11,446
Professional fees	3,531	7,584	5,658	15,597
Regulatory and filing fees	2,404	4,455	3,563	7,241
Loss from operations	(17,899)	(28,493)	(33,512)	(884,627)
Other items				
Interest expense	(15,497)	(15,445)	(30,592)	(25,021)
	(15,497)	(15,445)	(30,592)	(25,021)
Net and comprehensive loss	$ (33,396)	$ (43,938)	$ (64,104)	$ (909,648)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.05)
Weighted average number of common shares outstanding	17,800,789	17,799,711	17,800,789	17,777,028

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)

	Number of Shares	Share capital	Reserves	Deficit	Total Equity (Deficiency)
Balance at March 31, 2019	17,700,798	$ 10,385,460	$ 709,307	$ (10,577,731)	$ 517,036
Shares issued:					
warrants exercised at $0.13 per share (Note 5)	100,000	13,000	-	-	13,000
Net loss	-	-	-	(909,648)	(909,648)
Balance at September 30, 2019	17,800,798	$ 10,398,460	$ 709,307	$ (11,487,379)	$ (379,612)
Balance at March 31, 2020	17,800,789	$ 10,398,460	$ 709,307	$ (11,566,539)	(458,772)
Net loss	-	-	-	(64,104)	(64,104)
Balance at September 30, 2020	17,800,789	$ 10,398,460	$ 709,307	$ (11,630,643)	$ (522,876)

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)

	Six months ended September 30	
Cash provided by (used for):	**2020**	**2019**
Operating activities		
Net loss	$ (64,104)	$ (909,648)
Adjustments for non-cash items:		
Accretion interest expense	-	3,926
Working capital adjustments:		
Receivables	(2,869)	(8,726)
Accounts payable and accrued liabilities	49,830	19,426
Net cash flows used in operating activities	(17,143)	(895,022)
Investing activities		
Additions to exploration and evaluation assets	(2,500)	(383,063)
Net cash flows used in investing activities	(2,500)	(383,063)
Financing activities		
Loan advances	25,000	690,000
Loan repayments	-	(23,500)
Exercise of warrants	-	13,000
Net cash flows from financing activities	25,000	679,500
Change in cash	5,357	(598,585)
Cash, beginning of period	23,875	624,674
Cash, end of period	$ 29,232	$ 26,089

No cash was paid for interest or income taxes during the period.

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.", ("Academy" or the "Company") is in the business of the acquiring, exploring and developing mineral exploration properties. 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's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "AM".

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 September 30, 2020, 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 September 30, 2020, had a cumulative deficit of $11,630,643. 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.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

These financial statements were authorized for issue on November 30, 2020 by the directors of the Company.

2. 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, 2020, which have been prepared in accordance with IFRS.

These interim financial statements have been prepared on the historical cost basis, except for financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

3. Significant accounting policies

Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

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 adoption of this standard has not had an impact on the Company's financial statements as it has no leases.

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.

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.

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 Company is currently in discussions with the vendor to renegotiate the terms of the option agreement.

During the year ended March 31, 2020 the Company incurred $Nil (2019 - $73,258) 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 six months ended September 30, 2020 and the year ended March 31, 2020, the Company incurred $Nil and $300,000, respectively, in acquisition expenditures and $2,500 and $81,769, respectively, 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 year ended March 31, 2020, 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, 2020	$ 1,294	$ 300,000	$ 50,000	$ 4	$ 351,298
Additions	-	-	-	-	-
Disposition	-	-	-	-	-
Impairment	-	-	-	-	-
Balance, September 30, 2020	1,294	300,000	50,000	4	351,298
Exploration Costs					
Balance, March 31, 2020	-	81,768	108,738	8	190,514
Additions	-	2,500	-	-	2,500
Disposition	-	-	-	-	-
Impairment	-	-	-	-	-
Balance, September 30, 2020	-	84,268	108,738	8	193,014
Total March 31, 2020	$ 1,294	$ 381,768	$ 158,738	$ 12	$ 541,812
Total September 30, 2020	$ 1,294	$ 384,268	$ 158,738	$ 12	$ 544,312

5. Share capital

Authorized share capital

Unlimited number of common shares without par value

Issued

At September 30, 2020 there were 17,800,789 (March 31, 2020 – 17,700,798) issued and fully paid common shares.

2020

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.

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.

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 September 30, 2020 and March 31, 2020, there were no outstanding options.

Warrants

Warrant activity for the periods ended September 30, 2020 and March 31, 2020 is presented below:

	Six months ended September 30		Year ended March 31, 2020	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	-	$ -	100,000	$ 0.13
Exercised	-	-	(100,000)	0.13
Outstanding - end of period	-	$ -	-	$ -

As at September 30, 2020, the Company has no warrants outstanding.

(Unaudited - Expressed in Canadian Dollars)

6. Accounts payable and accrued liabilities

	September 30 2020	March 31 2020
Trade and interest payable	$ 228,555	$ 168,725
Accrued liabilities	53,000	63,000
	$ 281,555	$ 231,725

7. Loans payable

Loans payable to various third parties and management in the amount of $822,375 (March 31, 2020 - $797,375) are unsecured and bear interest between 5% and 10% per annum. The loans are required to be repaid upon the next round of financing completed by the Company.

As at September 30, 2020, $92,010 (March 31, 2020 - $61,418) in accrued interest was included in accounts payable and accrued liabilities.

8. Related party transactions

During the six months ended September 30, 2020, the Company:

a) Incurred consulting fees of $3,000 (2019 - $3,000) to a director of the Company.
b) Incurred geological consulting fees of $9,000 (2019 - $9,000) to a company controlled by the CEO of the Company.
c) Incurred accounting fees of $1,800 (2019 - $1,800) to the CFO of the Company.
d) Received loans of $Nil (2019 - $63,750) from directors and a former director and repaid loans of $Nil (2019 - $11,000) to a director. The Company recognized accretion interest expense of $Nil (2019 - $3,926). These loans are unsecured and bear interest at 10% per annum due upon completion of next financing. Included in accrued liabilities is interest owing on these loans of $11,490 (2019 - $6,200).

At September 30, 2020, included in accounts payable and accrued liabilities is an amount of $77,862 (2019 - $93,510) owing to directors and a former director of the Company in respect of fees.

The Company had the following transactions with key management personnel:

	Six Months Ended	
	September 30, 2020	September 30, 2019
Management and consulting fees	$ 13,800	$ 13,800
Total	$ 13,800	$ 13,800

9. 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.

9. 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 September 30, 2020.

10. Financial instruments and risk management

Financial instruments

Fair value

As at September 30, 2020, the Company's financial instruments consisted of cash, receivables, accounts payable and accrued liabilities, and loans payable. The fair values of cash, receivables and accounts payable and accrued liabilities, and loans payable 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.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

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.