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**NORTH PEAK RESOURCES LTD.**

(FORMERLY INTERBIT LTD.)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited condensed interim consolidated financial statements of North Peak Resources Ltd. (formerly "Interbit Ltd.") (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

### **NOTICE TO READER**

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

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**NORTH PEAK RESOURCES LTD.**

(Formerly Interbit Ltd.)

**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited)**

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<b>As at</b>	<b>June 30, 2020</b>	<b>December 31, 2019</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 6,843,035	\$ 6,299,125
Investment	100,000	100,000
Prepaid and sundry receivable	181,036	162,699
	<b>\$ 7,124,071</b>	<b>\$ 6,561,824</b>
<b>Exploration and evaluation assets (note 3)</b>	<b>54,500</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 7,178,571</b>	<b>\$ 6,561,824</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 8)	\$ 147,375	\$ 481,832
<b>Shareholders' equity</b>		
Share capital (note 4)	24,328,214	22,706,682
Contributed surplus (notes 5 and 6)	10,097,474	10,390,576
Deficit	(27,394,492)	(27,017,266)
<b>Total shareholders' equity</b>	<b>7,031,196</b>	<b>6,079,992</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,178,571</b>	<b>\$ 6,561,824</b>

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

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**NORTH PEAK RESOURCES LTD.**

(Formerly Interbit Ltd.)

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>Expenses</b>				
Salaries and benefits	\$ 3,802	\$ 284,441	\$ 3,802	\$ 720,665
Contractor fees (note 8)	23,691	498,373	45,108	918,932
Travel	50,695	58,964	83,045	152,345
Office and general	213,969	205,320	343,708	465,829
Professional fees	81,934	120,195	219,284	185,195
Marketing	2,040	-	4,199	-
Exploration Expenses	12,482	-	12,482	-
Stock-based compensation (note 5)	24,337	411,899	(293,102)	735,445
Interest income	(11,227)	(46,637)	(41,301)	(98,971)
	<b>401,724</b>	<b>1,532,555</b>	<b>377,226</b>	<b>3,079,440</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (401,724)</b>	<b>\$ (1,532,555)</b>	<b>\$ (377,226)</b>	<b>\$ (3,079,440)</b>
<b>Basic and diluted net loss per share (note 7)</b>	<b>\$ (0.02)</b>	<b>\$ (0.13)</b>	<b>\$ (0.02)</b>	<b>\$ (0.26)</b>
<b>Weighted average number of common shares outstanding, basic and diluted (note 7)</b>	<b>17,709,456</b>	<b>11,959,458</b>	<b>15,384,320</b>	<b>11,949,212</b>

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

**NORTH PEAK RESOURCES LTD.**

(Formerly Interbit Ltd.)

**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Share Capital		Shares to be	Contributed	Deficit	Total
	Number	Amount	Issued	Surplus		
Balance, December 31, 2018	11,934,458	\$ 22,603,124	\$ -	\$ 9,547,615	\$ (21,658,688)	\$ 10,492,051
Exercise of options	25,000	103,558	-	(61,758)	-	41,800
Stock-based compensation	-	-	-	735,445	-	735,445
Net loss for the period	-	-	-	-	(3,079,440)	(3,079,440)
<b>Balance, June 30, 2019</b>	<b>11,959,458</b>	<b>22,706,682</b>	<b>-</b>	<b>10,221,302</b>	<b>(24,738,128)</b>	<b>8,189,856</b>
Balance, December 31, 2019	11,959,458	22,706,682	-	10,390,576	(27,017,266)	6,079,992
Issued on private placement	5,479,998	1,724,999	-	-	-	1,724,999
Costs of issue	-	(103,467)	-	-	-	(103,467)
Stock-based compensation	-	-	-	(293,102)	-	(293,102)
Net income for the period	-	-	-	-	(377,226)	(377,226)
<b>Balance, June 30, 2020</b>	<b>17,439,456</b>	<b>\$ 24,328,214</b>	<b>\$ -</b>	<b>\$ 10,097,474</b>	<b>\$ (27,394,492)</b>	<b>\$ 7,031,196</b>

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

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**INTERBIT LTD.****Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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<b>For the Six Months Ended June 30,</b>	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Net income (loss) for the period	\$ (377,226)	\$ (3,079,440)
Stock-based compensation	(293,102)	735,445
Non-cash working capital items:		
Prepaid and sundry receivable	(18,337)	91,037
Accounts payable and accrued liabilities	(334,457)	157,189
	<b>(1,023,122)</b>	<b>(2,095,769)</b>
<b>Investing activities</b>		
Property acquisition costs	(54,500)	-
<b>Financing activities</b>		
Private placement, net of fees	1,621,532	-
Proceeds on exercise of options	-	41,800
	<b>1,621,532</b>	<b>41,800</b>
<b>Net change in cash</b>	<b>543,910</b>	<b>(2,053,969)</b>
<b>Cash, beginning of the period</b>	<b>6,299,125</b>	<b>10,825,749</b>
<b>Cash, end of the period</b>	<b>\$ 6,843,035</b>	<b>\$ 8,771,780</b>

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

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# **NORTH PEAK RESOURCES LTD.**

(Formerly Interbit Ltd.)

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2020**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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### **1. Nature of Operations**

North Peak Resources Ltd. ("the Company") was incorporated on March 28, 2011 and organized under the laws of Alberta, Canada. The Company has been an enterprise technology provider that has since 2016 dedicated itself to building blockchain technologies.

The Company is a Canadian based gold exploration and development company that is listed on the TSX Venture Exchange (the "Exchange") under the symbol "NPR". The Company holds an option to acquire 100% interest in and to the Mike Leahy Property located 15 kilometres southwest of Kirkland Lake, Ontario and consisting of and to twenty-seven (27) mineral claims totaling approximately 500.3 hectares.

The Company's original business, starting in November 2015, was as an enterprise technology provider dedicated to building blockchain technologies. The Company was named BTL Group Ltd. and then Interbit Ltd., during that period of time.

The registered office of the Company is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9.

#### Change of Business, Name Change and Share Consolidation

Pursuant to approval received during a meeting of shareholders on June 24, 2020, the Company consolidated its issued and outstanding common shares on the basis of 2 pre-consolidation shares for every 1 post consolidation share. Current and comparative disclosure has been amended to reflect this consolidation.

On June 26, 2020, the Company completed a "Change of Business" transaction ("COB Transaction") pursuant to the policies of the TSX Venture Exchange (the "Exchange"), with the result that the Company has become a Tier 2 mining issuer under the policies of the Exchange and is now engaged in the exploration and development of prospective mineral properties.

In connection with the COB Transaction, the Company also completed a name change to "North Peak Resources Ltd.". Trading in the common shares of the Company began on the Exchange under the Company's new name "North Peak Resources Ltd." and new stock symbol "NPR", on Tuesday, June 30, 2020.

### **2. Accounting Policies**

#### **Statement of Compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 25, 2020.

#### **Basis of Consolidation**

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries Blockchain Tech Ltd. and BTL Dev Ltd. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. During the six months ended June 30, 2020, both subsidiaries were wound down and dissolved.

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# **NORTH PEAK RESOURCES LTD.**

(Formerly Interbit Ltd.)

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2020**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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### **2. Accounting Policies (Continued)**

#### **Exploration, Evaluation and Resource Property Acquisition Costs**

The Company is in the exploration stage with respect to its investment in resource property costs and accordingly follows the practice of capitalizing significant acquisition costs on active exploration properties and expensing exploration and evaluation expenditures. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of an impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. The Company recognizes, in income, costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount of the mineral properties.

All capitalized acquisition expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

### **3. Exploration and Evaluation Assets**

On March 20, 2020, the Company entered into an option agreement whereby the Company was granted the option to acquire a 100% interest in and to twenty-seven mineral claims comprising a project known as the Mike Leahy Property (collectively, the "Property") totaling approximately 500 hectares located in the Larder Lake Mining Division in the Province of Ontario.

In order to exercise the option and keep it in good standing, the Company will be required to make total cash payments of \$35,000, issue a total of 50,000 common shares of the Company and incur exploration expenditures of no less than \$250,000 as follows:

- (a) paying the optionor \$35,000 upon issuance of a Technical Report (paid);
- (b) issuing to the optionor 25,000 common shares (issued July 2, 2020) effective upon issuance of the Technical Report, recognizing that those Common Shares is subject to the approval of the Exchange;
- (c) incurring \$100,000 of exploration expenditures on the property on or before the second anniversary of the closing of the COB Transaction, and issuing to the Optioner 25,000 Common Shares once such \$100,000 of exploration expenditures have been incurred; and
- (d) incurring \$150,000 of exploration expenditures on the Property on or before the fourth anniversary of the closing date. The Company intends to use its working capital to make the cash payments required under the terms of the Agreement.

During the three and six months ended June 30, 2020, exploration expenses consisted of \$12,482 in consulting fees (three and six months ended June 30, 2019 - \$nil)



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# NORTH PEAK RESOURCES LTD.

(Formerly Interbit Ltd.)

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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### 4. Share Capital

- a) Authorized share capital - at June 30, 2020, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.
- b) Common shares issued - the holders of common shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each common share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of common shares are entitled to share rateably the remaining assets of the Company.

The change in issued share capital for the periods presented are as follows:

	<b>Number of common shares</b>	<b>Amount</b>
Balance, December 31, 2018	11,934,458	\$ 22,603,124
Exercise of options - cash	25,000	41,800
Exercise of options - valuation	-	61,758
<b>Balance, June 30, 2019</b>	<b>11,959,458</b>	<b>\$ 22,706,682</b>
December 31, 2019	11,959,458	\$ 22,706,682
Private placement	5,749,998	862,500
Costs of issue	-	(103,467)
<b>Balance, June 30, 2020</b>	<b>17,709,456</b>	<b>\$ 23,465,715</b>

On March 16, 2020, the Company closed a non-brokered private placement of 5,749,998 common shares at an issue price of \$0.30 per share, for aggregate gross proceeds of \$1,724,999. Cash costs of issue amounted to \$103,467 in aggregate.

## NORTH PEAK RESOURCES LTD.

(Formerly Interbit Ltd.)

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

#### 5. Stock Options

The Company has adopted an incentive stock option plan (the "Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares.

The following table reflects the continuity of stock options for the six months ended June 30, 2020 and 2019:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Balance, December 31, 2018	1,088,446	\$5.10
Granted	105,304	\$2.90
Exercised	(25,000)	\$1.68
Expired	(192,500)	\$10.74
<b>Balance, June 30, 2019</b>	<b>976,250</b>	<b>\$4.26</b>
Balance, December 31, 2019	813,750	\$3.90
Expired/Cancelled	(530,000)	\$3.58
<b>Balance, June 30, 2020</b>	<b>283,750</b>	<b>\$5.00</b>

The following table reflects the stock options outstanding as at June 30, 2020:

Expiry Date	Exercise Price(CDN)	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
March 11, 2021	\$ 1.02	0.70 years	18,750	\$ 21,082
December 14, 2020	1.00	0.46 years	112,500	91,303
January 29, 2023	15.50	2.58 years	40,000	689,536
May 11, 2023	11.66	2.86 years	37,500	405,375
January 10, 2024	3.04	3.53 years	75,000	212,025
	\$ 5.00	1.90 years	283,750	\$ 1,419,321

Of the 283,750 options outstanding at June 30, 2020, 246,250 were exercisable.

During the six months ended June 30, 2020, 530,000 options expired, resulting in a credit to stock based compensation of \$379,099, representing the value of the unvested portion of the cancelled options.

# NORTH PEAK RESOURCES LTD.

(Formerly Interbit Ltd.)

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 6. Warrants

The following table reflects the continuity of warrants for the six months ended June 30, 2020 and 2019:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, December 31, 2018	128,500	\$ 6.50
Expired	(128,500)	\$ (6.50)
<b>Balance, December 31, 2018 and June 30, 2019</b>	<b>-</b>	<b>\$ -</b>
<b>Balance, December 31, 2019 and June 30, 2020</b>	<b>-</b>	<b>\$ -</b>

### 7. Net Loss Per Share

The calculation of basic and diluted income (loss) per share for the six months ended June 30, 2020 and 2019 was based on the loss attributable to common shareholders of \$377,226 and \$3,079,440, respectively, and the weighted average number of common shares outstanding of 15,384,320 and 11,949,212, respectively. Basic and diluted income (loss) per share are the same.

### 8. Related Party Balances and Transactions

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Remuneration paid for CEO	\$ -	\$ 77,859	\$ -	\$ 232,230
Remuneration paid for CFO	\$ 4,500	\$ 4,500	\$ 9,000	\$ 9,000
Stock-based compensation expense - directors and officers	\$ 7,636	\$ -	\$ 32,671	\$ 285,039

As at June 30, 2020, amounts due to related parties totaled \$50,969 (December 31, 2019 - \$10,900) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company included in accounts payable.

During the three and six months ended June 30, 2020, three directors were paid fees as follows: Mr. Brian Hinchcliffe: \$41,764 and \$82,549, respectively, (three and six months ended June 30, 2019 - \$39,893 and \$79,528, respectively); Mr. John Thomson: \$nil (three and six months ended June 30, 2019 - \$29,953 and \$51,834, respectively). Ms. Chelsea Hayes: \$36,537 and \$69,043, respectively (three and six months ended June 30, 2019 - \$nil). As at June 30, 2020, \$nil (December 31, 2019 - \$nil) was included in accounts payable and accrued liabilities in relation to these fees.

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# **NORTH PEAK RESOURCES LTD.**

(Formerly Interbit Ltd.)

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2020**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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### **8. Related Party Balances and Transactions (Continued)**

During the three and six months ended June 30, 2020, the Company expensed \$10,899 and \$23,234 (three and six months ended June 30, 2019 - \$11,120 and \$24,217, respectively) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

- (i) Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;
- (ii) Bookkeeping and office support services;
- (iii) Regulatory filing services;

The Marrelli Group is also reimbursed for out of pocket expenses.

As of June 30, 2020, the Marrelli Group was owed \$4,150 (December 31, 2019 - \$10,646). These amounts are included in accounts payable and accrued liabilities.

For the three and six months ended June 30, 2020, legal fees of \$131,723 and \$190,205, respectively were paid to a law firm with for which a director is a partner. The legal fees incurred pertained to general corporate matters, patent administration and the recent change of business initiative. As at June 30, 2020, \$48,233 (December 31, 2020 - \$53,310) was included in accounts payable and accrued liabilities in relation to these fees.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

### **9. Contingencies and Commitments**

During the six months ended June 30, 2020, an outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat its spread. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global oil prices;
- The severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines;
- Availability of essential supplies;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of the approval of these consolidated financial statements, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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## **NORTH PEAK RESOURCES LTD.**

(Formerly Interbit Ltd.)

### **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2020**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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#### **10. Subsequent Events**

On July 2, 2020, the Company granted 1,350,000 stock options at an exercise price of \$0.55 per share, vesting one-half immediately and the remaining one-half on July 2, 2021 and expire five years from the date of grant. Of the 1,350,000 options issued, 950,000 were granted to directors and officers of the Company and 400,000 were granted to consultants of the Company.