

ESHIPPERS MANAGEMENT LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS (AMENDED)

(Expressed in Canadian Dollars)

(Unaudited)

Three Month Period Ended

August 31, 2021

ESHIPPERS MANAGEMENT LTD.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	August 31,	May 31,
	2021	2021
	(\$)	(\$)
ASSETS		
Current assets		
Cash	487,769	553,508
GST receivable	2,701	30
	490,470	553,538
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	29,342	22,709
Shareholders' equity		
Share capital (Note 5)	5,048,385	5,048,385
Share-based reserves (Note 5)	181,374	181,374
Deficit	(4,768,631)	(4,698,930)
	461,128	530,829
	490,470	553,538

Nature of operations and going concern (Note 1)**Proposed transaction (Note 10)**

On behalf of the Board of Directors:

"Leo Berezan" Director

"Edward Leung" Director

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

ESHIPPERS MANAGEMENT LTD.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended August 31, 2021 (\$)	Three Month Period Ended August 31, 2020 (\$)
EXPENSES		
Management fees	10,000	7,000
Office and miscellaneous	518	2,255
Professional fees	33,188	14,223
Transfer agent and filing fees	25,995	3,661
	(69,701)	(27,139)
Interest income	-	3,856
Loss and comprehensive loss for the period	(69,701)	(23,283)
Basic and diluted loss per common share	(0.00)	(0.00)
Weighted average common shares outstanding	14,062,158	14,062,158

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

ESHIPPERS MANAGEMENT LTD.

Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Amount (\$)	Share-based Reserves (\$)	Deficit (\$)	Total Shareholders' Equity (\$)
Balance at May 31, 2020	14,062,158	5,048,385	181,374	(4,625,482)	604,277
Loss for the period	-	-	-	(23,283)	(23,283)
Balance at August 31, 2020	14,062,158	5,048,385	181,374	(4,648,765)	580,994
Loss for the period	-	-	-	(50,165)	(50,165)
Balance at May 31, 2021	14,062,158	5,048,385	181,374	(4,698,930)	530,829
Loss for the period	-	-	-	(69,701)	(69,701)
Balance at August 31, 2021	14,062,158	5,048,385	181,374	(4,768,631)	461,128

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

ESHIPPERS MANAGEMENT LTD.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended August 31, 2021 (\$)	Three Month Period Ended August 31, 2020 (\$)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	(69,701)	(23,283)
Changes in non-cash working capital items:		
GST receivable	(2,671)	(1,429)
Prepays	-	2,135
Accounts payable and accrued liabilities	6,633	13,923
Cash used in operating activities	(65,739)	(8,654)
Change in cash during the period	(65,739)	(8,654)
Cash, beginning of period	553,508	613,283
Cash, end of period	487,769	604,629
Taxes paid during the period	-	-
Interest paid during the period	-	-

During the three month period ended August 31, 2021 and 2020, the Company had no significant non-cash investing or financing activities.

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

ESHIPPERS MANAGEMENT LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)
THREE MONTH PERIOD ENDED AUGUST 31, 2021

1. NATURE OF OPERATIONS AND GOING CONCERN

eShippers Management Ltd. ("the Company") was incorporated on August 4, 1992 under the laws of British Columbia. The Company's head office and registered and records office is 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0, Canada. The Company's shares are listed on the NEX board of the TSX Venture Exchange (the "Exchange").

The Company is a mineral exploration company focused on acquiring, exploring and developing exploration and evaluation assets. Currently, the Company is investigating new opportunities for the acquisition of exploration and evaluation assets and investment ventures.

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, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. This outbreak could decrease spending, adversely affect demand for our product and harm our business and results of operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations at this time.

The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's financial statements and such adjustments could be material.

These 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 assets and discharge liabilities in the ordinary course of operations. The Company has no sources of revenue, ongoing losses and a deficit of \$4,768,631. The Company estimates that it has sufficient cash to continue operations for the upcoming twelve months.

The Company entered into a proposed transaction as disclosed in Note 10.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and therefore should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2021, prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved by the Board of Directors of the Company on December 15, 2021.

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

ESHIPPERS MANAGEMENT LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)
THREE MONTH PERIOD ENDED AUGUST 31, 2021

2. BASIS OF PRESENTATION (continued)

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

Use of Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other facts and circumstances. Actual results could differ from these estimates.

The significant assumption about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relates to, but is not limited to, the following:

Deferred income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. Deferred tax assets, including those arising from tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. 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 the Company's provision for deferred income taxes.

There significant judgment made by management for the reporting period related to the Company's going concern assessment.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at May 31, 2021.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2021	May 31, 2021
	(\$)	(\$)
Trade payables	27,102	14,709
Accrued liabilities	2,240	8,000
Total	29,342	22,709

ESHIPPERS MANAGEMENT LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)
THREE MONTH PERIOD ENDED AUGUST 31, 2021

5. SHARE CAPITAL

a) Authorized share capital

Unlimited common shares without par value.

b) Issued share capital

Three month period ended August 31, 2021

There was no share capital activity.

Year ended May 31, 2021

There was no share capital activity.

c) Stock options

The Company has a shareholder-approved stock option plan (the "Plan"), which is in compliance with the Exchange's policies. Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of grant of options. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant. Vesting terms are at the discretion of the directors.

There were no stock options issued or outstanding during the three month period ended August 31, 2021 or the year ended May 31, 2021.

d) Share purchase warrants

There were no share purchase warrants issued or outstanding during the three month period ended August 31, 2021 or the year ended May 31, 2021.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

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 that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts payable and accrued liabilities.

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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The fair value of cash is measured using level one of the fair value hierarchy. The fair values of accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments. The Company manages credit risk for cash by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist of goods and services tax due from the Canada Revenue Agency. The Company does not believe it has a material exposure to credit risk.

Liquidity risk

The Company seeks to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. As at the balance sheet date, the Company had sufficient cash to meet its current obligations and was not exposed to significant liquidity risk.

Interest rate risk

The Company is not exposed to interest rate risk as it does not have any variable interest rate assets or liabilities.

Currency risk

The Company is not exposed to significant foreign currency risk.

Commodity price risk

The Company is not significantly exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

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7. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and/or development of exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue debt or acquire and/or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in demand certificates of deposit with major financial institutions.

There have been no changes to the Company's approach to capital management during the three period ended August 31, 2021.

8. RELATED PARTY TRANSACTIONS

Key management personnel include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and certain directors and officers and companies controlled or significantly influenced by them. There were no related party transactions during the three month periods ended August 31, 2021 and 2020. Furthermore, there were no amounts owing to related parties as at August 31, 2021 or May 31, 2021.

9. SEGMENTED INFORMATION

The Company operates in one business segment, being the acquisition and exploration of mineral exploration and evaluation assets in Canada.

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10. PROPOSED TRANSACTION

On May 10, 2021, as amended on June 30, 2021 and August 31, 2021, the Company entered into a letter agreement (“Letter Agreement”) with ISON Mining Pte. Ltd. (“ISON”) for an arm's-length reverse takeover (“RTO”) wherein the Company will acquire all of the outstanding shares of ISON from the shareholders of ISON in exchange for common shares of the Company.

ISON is a private company existing under the laws of Singapore. ISON owns 100% of Mineracao ISON do Brazil Ltda. (“MIB”), which has acquisition agreements, and mineral rights for the Novo Mundo, Buracao and Ouro Fino gold projects located in Brazil.

The Letter Agreement sets out the general terms of the RTO and a definitive agreement was executed on September 23, 2021. The RTO will take the form of a share exchange, three-cornered amalgamation or other similar transaction, whereby, after a one new for two old common share consolidation by the Company, all of the outstanding ISON shares will be acquired by the Company in exchange for 29,655,750 common shares. Shareholders of the Company will retain an approximate 20% ownership interest in ISON. Following the completion of the RTO, ISON will be a wholly owned subsidiary of the Company, and the business of the Company will be the business of ISON, the directors and management of the resulting issuer will be reconstituted, and it is expected that the resulting issuer will be listed on the Exchange as a Tier 2 mining issuer. The RTO is to be completed by December 31, 2021 and is subject to the approval of the Exchange and standard due diligence procedures.

Pursuant to the definitive agreement, the Company will undertake a non-brokered private placement of up to 4,285,714 units at a price of \$0.35 per unit (post-consolidation). The financing is expected to be completed concurrently with the closing of the RTO. Each unit will consist of one common share and one half of a share purchase warrant wherein each whole share purchase warrant is exercisable into an additional common share at a price of \$0.50 per share for a period of twenty-four months from the date of issuance, subject to an acceleration clause.

On November 30, 2021, the Company entered into a loan agreement with ISON and advanced \$193,995 (US\$150,000). The loan bears interest at 5% per annum calculated and payable monthly in arrears, due on the earlier of the RTO completion and March 31, 2022. The loan is guaranteed by MIB.