
**CLASS 1 NICKEL AND TECHNOLOGIES LIMITED
(FORMERLY LAKEFIELD MARKETING CORP.)
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at June 30, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 605,714	\$ 174,205
Prepaid expenses	35,310	7,900
Accounts receivable	30,504	2,760
Due from related parties (note 6)	117,227	14,648
Total assets	\$ 788,755	\$ 199,513
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 145,364	\$ 48,047
Loans payable	22,008	22,008
Total liabilities	167,372	70,055
Shareholder's deficiency		
Share capital (note 5)	2,645,586	1,695,586
Deficit	(2,024,203)	(1,566,128)
Total shareholder's deficiency	621,383	129,458
Total shareholder's deficiency and liabilities	\$ 788,755	\$ 199,513

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

Nature of operations and going concern (note 1)
 Commitments (note 7)
 Subsequent event (note 8)

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Operating expenses				
Professional fees	\$ 203,791	\$ 4,500	\$ 235,256	\$ 9,090
Exploration and evaluation	18,824	-	77,180	-
Investor relations	40,000	-	40,000	-
General and administrative (note 6)	12,831	-	37,526	-
Regulatory	4,600	-	12,393	-
Travel	9,796	-	55,721	-
	289,842	4,500	458,076	9,090
Net loss and comprehensive loss for the period	\$ (289,842)	\$ (4,500)	\$ (458,076)	\$ (9,090)
Basic and diluted net loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	97,128,110	10,029,209	93,578,660	10,029,209

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

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Operating activities		
Net loss for the period	\$ (458,076)	\$ (9,090)
Changes in non-cash working capital items:		
Accounts receivable	(27,744)	-
Prepaid expenses	(27,410)	-
Amounts payable and other liabilities	97,318	9,090
Net cash used in operating activities	(415,912)	-
Financing activities		
Due from related parties	(102,579)	-
Proceeds from issuance of shares	950,000	-
Net cash provided by financing activities	847,421	-
Net change in cash and cash equivalents	431,509	-
Cash and cash equivalents, beginning of period	174,205	2
Cash and cash equivalents, end of period	\$ 605,714	\$ 2

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

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Shares	Share capital	Deficit	Total
Balance, December 31, 2018	10,029,209	\$ 2	\$ -	\$ 2
Net loss for the period		-	(9,090)	(9,090)
Balance, June 30, 2019	10,029,209	\$ 2	\$ (9,090)	\$ (9,088)
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Balance, December 31, 2019	90,029,209	\$ 1,695,586	\$ (1,566,127)	\$ 129,459
Shares issued in private placement	9,500,000	950,000	-	950,000
Net loss for the period		-	(458,076)	(458,076)
Balance, June 30, 2020	99,529,209	\$ 2,645,586	\$ (2,024,203)	\$ 621,383

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

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Nature of business

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.) ("Class 1" or the "Company") was incorporated on September 22, 2000, under the laws of the Province of Ontario. The principal business of the Company is mining exploration and development of minerals and precious metals in Canada. The corporate head office of the Company is located at 44 Victoria Street, Suite #1060, Toronto, Ontario.

Going concern uncertainty

At each reporting period, management assesses the basis of preparation of the financial statements. These financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the three and six months ended June 30, 2020, the Company incurred a net loss of \$289,842 and \$458,076 respectively, respectively (three and six months ended June 30, 2019 - \$4,500 and \$9,090, respectively) and had negative operating cash flows of \$415,912 (June 30, 2019 - \$nil). The Company has an accumulated deficit of \$2,024,203 since inception (December 31, 2019 - \$1,566,128) and does not have sufficient cash as at June 30, 2020 to meet its expected obligations over the next twelve months. These factors raise significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financings or through other arrangements. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

In March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. 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.

The impact of the global and local restrictions has not caused a significant delay in the operations of the Company, however the exploration activities did experience a brief interruption due to municipal lockdown orders.

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

Unaudited

2. Reverse take-over transaction

On September 23, 2019, the Company completed a business combination (the "Transaction") with Legendary Ore Mining Corporation ("Legendary") by way of a "three-cornered amalgamation", resulting in the reverse take-over of the Company by Legendary's former shareholders.

The Transaction was completed in accordance with the terms of an amalgamation agreement (the "Amalgamation Agreement") between the Company, Legendary and Bloom Retail Management Inc. ("Lakefield Subco"), a wholly-owned subsidiary of the Company. On closing of the Transaction, Legendary amalgamated with Lakefield Subco to form a new corporation, which became a wholly-owned subsidiary of the Company continuing under the name "Legendary Ore Mining Corporation". In exchange for all of the issued and outstanding common shares of Legendary, the Company issued 80 million common shares of the Company to the former Legendary shareholders. As a result, on closing, the former Legendary shareholders held approximately 89% of the 90,029,209 total outstanding shares of the Company.

Immediately prior to the Transaction taking effect, the Company changed its name to "Class 1 Nickel and Technologies Inc.". Upon the completion of the Transaction, the former directors and officers of the Company resigned from all offices with the Company and new directors and officers were appointed.

A summary of the costs in regards to the Transaction are listed below:

Net assets of Lakefield

Net assets of Lakefield

Cash	\$	873
Accounts payable, accrued liabilities and loans payable		(27,769)
Listing expense		26,896
		<hr/> 200,584

Consideration given by Legendary

5,250,000 shares of Legendary at a value of \$0.02 per share	\$	200,584
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Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

Unaudited

3. Significant accounting policies

Statement of compliance

These unaudited condensed interim 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.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs, which have been applied consistently to all periods presented. These unaudited condensed interim were issued and effective as of August 31, 2020, the date the Board of Directors approved the statements.

The preparation of financial statements in accordance with International Accounting Standards (IAS) 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to these Condensed Consolidated Interim Financial Statements were the same as those that applied to the Company's annual Consolidated Financial Statements as at and for the year ended December 31, 2019, except as noted below.

New standards not yet adopted

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

This amendment is effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The Company has adopted this policy during the six months ended June 30, 2020, and there was no material impact to the unaudited condensed interim financial statements.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)
Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2020
(Expressed in Canadian Dollars)
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4. Mining interest

The “Alexo-Dundonald Project” is an exploration stage, past-producing nickel-copper-cobalt sulphide project, located approximately 45 kilometers northeast of the city of Timmins, Ontario, Canada. Ontario. The Alexo-Dundonald Project combines the Alexo-Kelex and Dundonald properties and consists of 29 patented claims (19 with both mining and surface rights, nine with mining rights only and one with surface rights only), 40 leased claims (31 with both mining and surface rights and nine with mining rights only), 21 single cell mining claims and five boundary cell mining claims. The Company owns all the outstanding equity of Legendary Ore Mining Corporation, which holds a 100% interest in the mining claims, leases and properties comprising the Alexo-Dundonald Project, subject to certain tenure agreements and any rights or claims asserted in connection with historic royalty agreements granted in respect of the Alexo-Kelex and Dundonald properties.

The Alexo deposit was discovered in 1907, and between the years 1913 to 1919, 51,851 tonnes grading 4.5% nickel and 0.7% copper was extracted and sent to Sudbury, Ontario, for processing. Most recently, Canadian Arrow Mines Ltd shipped 6,000 tonnes grading 2.46% nickel, 0.31% copper, and 0.07% cobalt as part of a 10,000 tonne bulk sample permit held at the time, and started the reclamation of the project as part of a Closure Plan approved in 2004 and amended in 2011.

During the three and six months ended June 30, 2020, the Company spent \$18,824 and \$77,180, respectively on exploration and evaluation on this project (three and six months ended June 30, 2019 - \$nil and \$nil)

In addition, the Company has an option (the “Somanike Option”) to acquire a 100% interest in the rights held by Vanicom Resources Limited, in an option to acquire the Somanike property, an exploration stage nickel-copper mine project, including the past-producing Marbridge Nickel Sulphide Mine located near Val d’Or, Quebec. The Company is concentrated on advancing the Alexo Project for the current time being and will continue to evaluate this option on an on-going basis.

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

Unaudited

5. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2018 and June 30, 2019	10,029,209	\$ 2
Balance, December 31, 2019	90,029,209	\$ 1,695,586
Private placement (i)	9,500,000	950,000
Balance, June 30, 2020	99,529,209	\$ 2,645,586

(i) On April 22, 2020, the Company closed a non-brokered private placement of 9,500,000 common shares of the Company at \$0.10 per share for gross proceeds of \$950,000. A director of the Company subscribed for 6,000,000 shares in the placement.

6. Related party transactions

As at June 30, 2020, the Company has \$117,227 in amounts due from a company with common directors of Class 1. The amounts are accrued in the normal course of operation at their exchange value.

Key management includes directors and other key personnel, including the CEO, President and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

The Chief Executive Officer of the Company has received cash remuneration of \$45,000 for the three and six months ended June 30, 2020 (June 30, 2019 - \$nil). There is no amounts payable as at June 30, 2020.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three and six months ended June 30, 2020, the Company paid or accrued professional fees of \$11,468 and \$19,131, respectively (three and six months ended June 30, 2019 - \$2,000) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. MSSI also provides bookkeeping services to the Company. As at June 30, 2020, MSSI was owed \$2,270 (December 31, 2018 - \$nil) with respect to services provided. The balance owed was recorded in the statement of financial position in accounts payable.

7. Commitments

The Company has entered into a lease to rent office space with a related party, for \$950 a month for a term of 12 months ending July 1, 2020. Due to the short term nature of the lease, it has not been accounted for under IFRS 16.

Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corp.)
Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2020
(Expressed in Canadian Dollars)
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8. Subsequent events

On August 20, 2020, the Company commenced trading on the Canadian Securities Exchange under the stock symbol "NICO".

In August 2020, the Company issued an aggregate of 234,935 common shares (valued at \$160,000) to satisfy all outstanding share issuances required by the Company to earn a 100% undivided interest from Quebec Precious Metals Corporation in the Somanike Property.