KAIROS METALS CORP.

Condensed Interim Consolidated Financial Statements

For the Nine months ended September 30, 2020 and 2019

Unaudited

KAIROS METALS CORP.
Condensed Interim Consolidated Statements of Financial Position
(Canadian Dollars)

As at	***Notes***		**September 30, 2020**		**December 31, 2019**
ASSETS					
Current					
Cash		**$**	**-**	$	2,000
Advances under acquisition facility	***5***		**118,662**		33,398
Other receivables			**-**		1,049
Total current assets			**118,662**		36,447
Taxes receivable			**16,124**		17,072
Mineral properties	***6***		**2,212,308**		3,318,539
Total Assets		**$**	**2,347,094**	$	3,372,058
LIABILITIES					
Current					
Bank indebtedness		**$**	**1,118**	$	**-**
Trade and other payables			**168,012**		131,022
Due to directors	***9***		**206,508**		35,000
Notes payable	***7***		**-**		3,516,071
Total current liabilities			**375,638**		3,682,093
Non-current liabilities					
Notes payable	***7***		**1,000,000**		-
Total Liabilities			**1,375,638**		3,682,093
SHAREHOLDERS' EQUITY					
Share capital	***8***		**1,045**		1,045
Contributed surplus	***4,7***		**2,185,284**		839,936
Accumulated other comprehensive loss			**(9,891)**		(73,104)
Deficit			**(1,204,982)**		(1,077,912)
Total shareholders' equity (deficit)			**971,456**		(310,035)
Total liabilities and shareholders' equity (deficit)		**$**	**2,347,094**	$	3,372,058

Nature of operations and going concern	***1***
Subsequent events	***13***

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

KAIROS METALS CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)
(Canadian Dollars)

	Notes	For the Three Months Ended September 30 2020	2019	For the Nine months ended September 30, 2020	2019
REVENUE					
Interest		**$ 1,710**	$ -	**$ 4,358**	$ -
EXPENSES					
General and administrative		**16,396**	20,209	**46,408**	133,759
Unrealized loss (gain) on foreign exchange		**1,967**	172,848	**428,500**	75,557
Accretion of notes receivable	*7*	**-**	144,372	**172,864**	410,448
Interest	*7,5*	**-**	25,516	**32,808**	60,057
Gain on reduction in loan payable	*7*	**-**	-	**(549,153)**	-
Total expenses		**18,363**	362,944	**131,428**	679,821
Net income (loss)		**(16,653)**	(362,944)	**(127,070)**	(679,821)
Other comprehensive income					
Foreign exchange translation adjustment		**(1,973)**	-	**(5,731)**	-
NET AND COMPREHENSIVE LOSS		**$ (14,680)**	$ (362,944)	**$ (121,339)**	$ (679,821)
Net loss per share - basic and diluted	*8*	**(0.00)**	(0.01)	**(0.00)**	(0.03)
Weighted average number of shares outstanding	*8*	**25,266,704**	25,266,704	**25,266,704**	25,266,704

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

KAIROS METALS CORP.
Condensed Interim Consolidated Statement of Changes in Equity (Deficit)
For the Nine months ended September 30, 2020 and 2019
(Unaudited)
(Canadian Dollars)

	Notes	**Share Capital**	**Contributed Surplus**	**Accumulated Other Comprehensive loss**	**Deficit**	**Total Equity**
Balance, December 31, 2018		$ 1,045	$ 839,936	$ -	$ (243,847)	$ 597,134
Net loss and comprehensive loss		-	-	-	(679,821)	(679,821)
Balance, September 30, 2019		**$ 1,045**	**$ 839,936**	**$ -**	**$ (923,668)**	**$ (82,687)**
Balance December 31, 2019		$ 1,045	$ 839,936	$ (73,104)	$ (1,077,912)	$ (310,035)
Gain on re-transfer of mineral properties	***7***	-	1,345,348	-	-	1,345,348
Net loss and comprehensive loss		-	-	63,213	(127,070)	(63,857)
Balance, September 30, 2020		**$ 1,045**	**$ 2,185,284**	**$ (9,891)**	**$ (1,204,982)**	**$ 971,456**

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

KAIROS METALS CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(Canadian Dollars)

	Notes		Nine months ended September 30, 2020		2019
Cash provided by (used in)					
OPERATING					
Comprehensive loss for the period		**$**	**(121,339)**	$	(679,821)
Add (deduct) items not affecting cash flow:					
Foreign exchange translation adjustment			**(5,731)**		
Interest income			**(4,358)**		-
Gain on transfer of mineral properties			**(549,153)**		-
Interest incurred on notes payable			**32,808**		-
Accretion of notes receivable	*7*		**172,864**		410,448
Unrealized loss (gain) on foreign exchange			**428,500**		75,557
Trade and other payables			**14,321**		(23,235)
Other receivables			**1,049**		(20,019)
Cash flow (used in) provided by operating activities			**(31,039)**		(237,071)
INVESTING					
Exploration and evaluation expenditures	*6*		**(38,692)**		(680,812)
Taxes receivable			**949**		-
Trade and other payables			**22,669**		-
Cash flow used in investing activities			**(45,074)**		(680,812)
FINANCING					
Advances from directors	*9*		**153,900**		-
Advances under acquisition facility	*5*		**(80,906)**		-
Unpaid interest included in notes payable			**-**		109,055
Cash flow provided by (used in) financing activities			**72,994)**		109,055
Decrease in cash			**(3,118)**		(808,828)
Cash, beginning of the period			**2,000**		861,798
Cash (bank indebtedness), end of period		**$**	**(1,118)**	$	52,970

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

1. Business Activities

Kairos Metals Corp. (the "**Corporation**" or "**Kairos**"), a reporting issuer in Canada, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on January 15, 2018. The head office is located at 900, 903 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 0P7 and registered office is located at 1600, 333 - 7th Ave S.W., Calgary AB T2P 2Z1.

2. Basis of Presentation

The condensed interim consolidated financial statements (the **"Interim Statements")** have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis. The going concern basis contemplates the realization of assets and the settlement of liabilities in the ordinary course of business. If the Corporation is unable to raise funds to pay its liabilities as they become due and successfully finance its current and future exploration projects, it may not be able to realize its assets and discharge its liabilities in the normal course of operations.

For the nine months ended September 30, 2020, the Corporation reported net and comprehensive loss of $121,339 (2019 - $335,848) and negative cash flows from operations of $33,304 (2019 - $119,779) and, as of that date, has negative working capital of $256,976 (December 31, 2019 - $3,645,646). These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation's ability to continue as a going concern. If the going concern assumption is not appropriate, adjustments may be necessary to the carrying amounts and classification of the Corporation's assets and liabilities. The accompanying financial statements do not include any adjustments that may result if the Corporation is unable to continue as a going concern, and, such adjustments could be material.

a) Basis of measurement

The condensed interim financial statements for the nine months ended September 30, 2020 have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the fiscal period beginning January 1, 2020, including IAS 34 Interim Financial Reporting. These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's December 31, 2019 audited annual consolidated financial statements (the "**Audited Statements**").

These financial statements were authorized for issue in accordance with a resolution of the directors on November 26, 2020.

b) Basis of measurement

The Interim Statements have been prepared under the historical cost method except for share-based transactions and certain financial instruments which are measured at fair value.

The Interim Statements are presented in Canadian dollars, which is the Corporation's functional currency. The functional currency of the Corporation's 99% owned subsidiary, Compañía Minera San Lorenzo Limitada ("**San Lorenzo**") is the Chilean Peso.

c) Consolidation

The Interim Statements include the accounts of the Corporation and San Lorenzo which is a limited liability partnership of which the Corporation owns 99%. The Corporation has consolidated the assets, liabilities and expenses of its subsidiaries after the elimination of inter-company transactions and balances. The subsidiary was incorporated in Chile on May 17, 2016 and the principal business is the acquisition and development of mineral properties.

d) Use of judgments and estimates

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

2. Basis of Presentation *(continued)*

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined in the Audited Statements.

3. Summary of Significant Accounting Policies

These Interim Statements should be read in conjunction with the Audited Statements. These Interim Statements have been prepared following the same accounting policies as described in notes 2 and 3 of the Audited Statements.

4. Corporate Reorganization

Kairos was incorporated as a wholly-owned subsidiary of Lithium Chile Inc. (**"LITH"**) on January 15, 2018.

On April 27, 2018, the LITH shareholders approved a proposed plan of arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) involving, among other things, the distribution of common shares of Kairos (the "**Kairos Shares**"), to the LITH shareholders on the basis of one (1) Kairos Share for every (4) LITH shares.

On May 8, 2018, the Arrangement was approved by the Court of Queen's Bench and on May 15, 2018 the Arrangement was accepted by the TSX Venture Exchange and the Arrangement closed.

The following transactions occurred which were parts of a series of transactions related to the Arrangement:

- Kairos acquired 99% of the outstanding interest in San Lorenzo from Minera Kairos a wholly-owned subsidiary of LITH for the sum of $1.00. San Lorenzo owned no assets, including no mineral claims, on the date of ownership transfer nor had San Lorenzo carried on any business activities prior to the date of the ownership transfer. The remaining 1%, non-controlling, interest in San Lorenzo is held in trust by an officer on behalf of Kairos.
- Minera Kairos transferred the interests it held in its copper, gold and silver properties ("**CGS claims**") in Chile to San Lorenzo at their carrying cost of US$1.6 million in exchange for a Promissory Note as described below (see also note 7).
- LITH loaned Kairos US$1.1 million cash. In exchange, Kairos issued a promissory note to LITH in the amount of US $1,150,000 to reflect the US$1.1 million loan proceeds and a contribution to the costs of the Arrangement in the agreed amount of US$50,000 as provided for in the Arrangement agreement (see also note 7).
- The promissory notes issued to Minera Kairos for the transfer of the CGS claims and to LITH for the loan proceeds bear interest at 2.0% per annum and matured two years from the date of issuance.

The acquisition of the CGS claims from the LITH subsidiary, Minera Kairos, by San Lorenzo, a subsidiary of Kairos for US$1.6 million is considered a common control transaction for accounting purposes. As such, CAD$214,682 represents the excess of the carrying value of the CGS claims of CAD$2,278,682 over the purchase price of CAD$2,064,000 (US$1,600,000) and is recorded in contributed surplus.

5. Acquisition Facility

Cash advances were made by the Corporation to a company related by a common director. These advances are to be used to acquire mineral properties or claims in Chile on behalf of the Corporation. Until such time that the properties are acquired and transferred to the Corporation, the advances are considered to be an acquisition facility in the maximum amount of US$300,000, as approved by the Corporation's Board of Directors.

The advances under the credit facility bear interest at 6% per annum, with no minimum advance. As at September 30, 2020, $114,304 has been advanced under this facility.

6. Mineral properties - exploration and evaluation expenditures

The Corporation's exploration and evaluation expenditures relate to mineral properties in Chile and are as follows:

Balance December 31, 2018	**$**	**2,872,134**
Additions		767,286
Foreign exchange effect		(320,881)
Balance December 31, 2019	**$**	**3,318,539**
Additions		70,450
Foreign exchange effect		(120,361)
Re-transferred mineral claims *(note 7)*		(1,056,320)
Balance September 30, 2020	**$**	**2,212,308**

Mineral Property Description

The Corporation currently holds 100% title interest in mineral claims comprising three discrete property packages with exploration potential to discover commercial deposits of copper and/or gold and/or silver through its Chilean subsidiary, San Lorenzo.

Mineral Property Expenditure Commitments

The mineral properties do not require any minimum work or expenditure commitments. Depending on the nature of the claims, the Corporation is obligated to make annual tax payments of US$1.50/hectare or US$7.50/hectare to the Chilean government in relation to the mineral properties. These tax payments are generally payable in the second quarter of the year and are in good standing.

7. Notes Payable

Notes and other payables are comprised of the following:

		September 30, 2020		December 31, 2019
Note payable to LITH	**$**	**1,000,000**	$	1,459,614
Note payable to Minera Kairos		**-**		2,056,457
Balance, end of period	**$**	**1,000,000**	$	3,516,071

The notes payable is allocated as follows:

		September 30, 2020		December 31, 2019
Current	**$**	**-**	$	3,516,071
Long-term		**1,000,000**		-
Total	**$**	**1,000,000**	$	3,516,071

The face value of the original notes payable to LITH of $1,564,000 (US$1,150,000) and Minera Kairos $2,188,302 (US$1,600,000) were due two years from the date of issuance, being May 16 and May 8, 2018, respectively, and were unsecured.

During the period, an agreement was entered into between the Corporation, LITH, Minera Kairos and San Lorenzo to transfer certain gold/silver/copper properties (the "**Retransferred Mineral Claims**") from the Corporation back to Minera Kairos (the "**Retransfer Agreement**") such that the values and terms of the notes payable were adjusted in connection with closing, which occurred after regulatory approval had been obtained on April 17, 2020, as follows:

- the Minera Kairos note payable, with the original face value of US$1,600,000 together with accrued interest of US$62,334, was satisfied in exchange for the Retransferred Mineral Claims.
- the LITH note payable was renegotiated from US$1,115,000 plus interest, to CAD$1,000,000 with the repayment term extended from May 16, 2020 to November 30, 2021, and is unsecured.

7. Notes Payable *(continued)*

		Minera Kairos		Lithium Chile
Balance, December 31, 2018	$	**1,778,024**	**$**	**1,270,406**
Foreign exchange adjustment		(91,082)		(73,600)
Accretion		325,178		233,000
Interest		44,337		29,808
Balance, December 31, 2019	**$**	**2,056,457**	**$**	**1,459,614**
Foreign exchange adjustment		302,333		127,765
Accretion		98,359		74,542
Interest		23,836		9,283
Exchange for mineral properties		(2,480,985)		-
Loan adjustment		-		(671,204)
Balance, September 30, 2020	**$**	**-**	**$**	**1,000,000**

The Minera Kairos note payable was issued on the transfer of the properties (*note 4*) and considered a common control transaction and as such, the fair value adjustment of $441,048 was charged to contributed surplus.

The Retransfer of mineral properties to LITH *(note 7 above)* is also considered a common control transaction and as such, the gain realized from the re-transfer of mineral properties was charged to contributed surplus.

8. Share Capital

a) Authorized:

Unlimited number of common voting shares and preferred shares without nominal or par value.

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued since the Corporation's inception.

b) Issued Common Shares

On May 8, 2018, the Corporation issued common shares in connection with the Arrangement and all shares were distributed to the shareholders of LITH on the basis of one (1) Kairos Share for every (4) LITH Shares held by a LITH shareholder on that date.

	#	$
Balance as at December 31, 2019 and September 30, 2020	**25,266,704**	**1,045**

c) Loss per share

The basic and diluted loss per share as calculated is based on the weighted average number of shares outstanding during the period. There was no share issuance effect to the weighted average number of shares outstanding during the nine months ended September 30, 2020.

9. Related Party Transactions

During the nine months ended September 30, 2020 and 2019, the Corporation incurred expenses included in the Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss), as follows:

	Three months ended September 30,				Nine months ended September 30,			
		2020		2019		**2020**		2019
Administrative consulting services provided by an officer in Canada	**$**	**-**	$	-	**$**	**5,000**	$	11,050

9. Related Party Transactions (*continued)*

The related party amounts included in the Condensed Interim Consolidated Statements of Financial Position, are as follows:

As at September 30,		2020		2019
Advances under an acquisition facility to a company controlled by a common director in Chile, including interest	**$**	**118,662**	$	-
Due to a director in Canada	**$**	**201,412**	$	-
Due to a director in Chile	**$**	**5,096**	$	-
Consulting services provided by an officer in Chile (included in Mineral Properties on the consolidated statements of financial position)	**$**	**63,730**	$	85,956
Due to an officer in Chile for consulting services	**$**	**57,303**	$	18,539
Due to an officer in Canada for administrative consulting services (included in trade and other payables)	**$**	**5,525**	$	525

Amounts due to a director include the amounts advanced to a company related by a common director under the acquisition facility and are unsecured, bear no interest and are repayable on demand.

10. Management of Capital

The Corporation's capital currently consists of common shares. The current source of cash is loans from a director. The Corporation's capital management objectives are to have sufficient capital to be able to explore and develop mineral properties in Chile. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets.

11. Financial instruments and risk management

The Corporation, as part of its operations, carries financial instruments consisting of cash, advances under an acquisition facility, other receivables, trade and other payables, notes payable and due to a director. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments.

The carrying amount of cash, advances under an acquisition facility, other receivable, trade and other payables and due to director approximates their fair values due to their short-term maturities.

The carrying amount of notes payable approximates its fair value due to market rate of interest being applied to this financial instrument.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation believes it has no significant credit risk as cash is held with reputable banks in both Canada and Chile and its advances under the acquisition facility are held with a known party.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet current liabilities when due. As at September 30, 2020, the Corporation had a cash deficiency of $1,118 (December 31, 2019 - cash balance $2,000) and a working capital deficit of $256,976 (December 31, 2019 - $3,645,646). Due to the nature of the mining industry, additional financing will be required in due course. Management will seek additional forms of financing through the issuance of new equity or debt instruments to continue its operations and there can be no assurance it will be able to do so. During the period, significant portions of the working capital deficit were terminated as a result of a re-transfer of the Retransferred Mineral Claims back to LITH *(note 7).*

In connection with a business transaction discussed in the note 13, the Company intends to complete a private placement of common shares at a price of $0.07 per common share for gross proceeds of up to $1,500,000.

11. Financial instruments and risk management *(continued)*

The following are the financial liabilities at September 30:

2020	Less than 1 year	1 – 3 years	Total
Trade and other payables	$ 168,012	$ -	$ 168,012
Due to directors	206,508	-	206,508
Notes payable	-	1,000,000	1,000,000
	$ 374,520	$ 1,000,000	$ 1,374,520

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain 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 financial markets have experienced significant volatility as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks as well as the impact it will have on the Corporation and its ability to close the private placement noted below.

Interest rate risk

The Corporation believes it has negligible interest rate risk due to the fixed rate interest nature of its debt.

Foreign currency risk

The Corporation is exposed to the risk of changes in the Canadian/U.S. dollar exchange rate and in the U.S./Chilean Peso exchange rate for services and geological costs that are denominated in Chilean Pesos and converted to U.S. dollars or directly influenced by U.S. dollar benchmark prices. A hypothetical change of 10% to the foreign exchange rate between Canadian/U.S. and U.S/Chilean Peso would not have a material impact of the Corporation’s loss during the period.

Commodity risk

The Corporation is not exposed to commodity price risk.

12. Segmented information

Management has determined that its financial results are to be presented as one reportable segment.

All non-current assets reside in Chile.

13. Subsequent Events

a) Amalgamation Agreement – Qualifying Transaction

The Corporation has entered into an Amalgamation Agreement dated August 10, 2020, as amended by the Amended Amalgamation Agreement dated effective November 10, 2020 (the “Amalgamation Agreement”), with Tailwind Capital Corporation (“Tailwind”) pursuant to which the Corporation and Tailwind intend to complete a business combination (the "Transaction") to form a new company ("Newco"). The Amalgamation Agreement contemplates that at closing of the Transaction, a shareholder of Kairos will receive one common share of Newco for each one common share of Kairos currently held and a shareholder of the Tailwind will receive one common share of Newco for each 1.5 common shares of Tailwind currently held.

13. Subsequent Events *(continued)*

In connection with the Transaction, the Company intends to complete a private placement of common shares at a price of $0.07 per common share for gross proceeds of up to $1,500,000.

Closing of the Transaction remains subject to numerous conditions precedent including approval by the shareholders of the Corporation and approval by the shareholders of Tailwind.

The current challenging economic climate relating to the effect of the Coronavirus (COVID-19) may lead to challenges in managing cash flows and the ability to raise capital. These items may have a direct adverse impact on the Corporation's ability to close the Transaction.

b) Advances made by a Director

Subsequent to the period ended further advances were made, by a director in Canada and a director in Chile, to the Corporation. These advances were used to pay claim fees on mineral properties.