



For the Three Months Ended September 30, 2019

Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited-Prepared by Management)

- Notice of No Auditor Review of Consolidated Financial Statements
- Interim Statements of Financial Position
- Interim Statements of Comprehensive Loss
- Interim Statements of Changes in Equity
- Interim Statements of Cash Flows
- Notes to the Financial Statements

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Ximen Mining Corp. for the period ended September 30, 2019 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

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

Ximen Mining Corp.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollar)

(Unaudited)

	Note	September 30, 2019 \$	June 30, 2019 \$
ASSETS			
CURRENT			
Cash		22,867	41,164
GST Recoverable		64,905	56,096
Option Payments and Exploration Advances Receivable	8	439,071	444,343
Marketable Securities	4	275,870	364,847
Prepaid Expenses and Deposits		22,688	45,375
		<u>825,401</u>	<u>951,825</u>
NON-CURRENT			
Reclamation Bonds	5	125,800	98,300
Property and Equipment	6	1,791,912	1,795,898
Exploration and Evaluation Assets		-	-
		<u>2,743,113</u>	<u>2,846,023</u>
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		563,716	583,914
Payable on acquisition of subsidiary	12	915,000	915,000
Due to Related Parties	10	8,354	221,427
		<u>1,487,070</u>	<u>1,720,341</u>
NON-CURRENT			
Payable on acquisition of subsidiary	12	612,500	612,500
		<u>2,099,570</u>	<u>2,332,841</u>
SHAREHOLDERS' EQUITY			
Share Capital	9	23,435,201	22,424,213
Share Subscriptions Received		2,500	2,500
Share-Based Payment Reserve		1,898,125	939,087
Deficit		(24,983,453)	(23,142,643)
		<u>352,373</u>	<u>223,157</u>
Equity Attributed to Ximen Mining Corp. Shareholders			
		352,373	223,157
Non-Controlling Interest	8	291,170	290,025
		<u>643,543</u>	<u>513,182</u>
		<u>2,743,113</u>	<u>2,846,023</u>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

Commitment (Note 12)

Subsequent Events (Note 16)

The accompanying notes are an integral part of the financial statements.

Approved on Behalf of the Board:

"Chris Anderson"

Chris Anderson, Director

"Scott Kent"

Scott Kent, Director

Ximen Mining Corp.

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian Dollar)

(Unaudited)

	Note	Number of Post- Consolidated Common Shares	Share Capital \$	Share Subscription Received \$	Share- Based Payment Reserve \$	Deficit \$	Non- Controlling Interest \$	Total Shareholders' Equity \$
Balance, June 30, 2018		23,138,187	16,941,165	2,500	800,918	(17,573,754)	-	170,829
Net Comprehensive Loss		-	-	-	-	(1,917)	-	(1,917)
Balance, September 30, 2018		23,138,187	16,941,165	2,500	800,918	(17,573,754)	-	168,829
Balance, June 30, 2019		38,018,700	22,424,213	2,500	939,087	(23,142,643)	290,025	513,182
Shares Issued for Cash, Net of Share Issuance Costs	9(b)	1,415,002	640,285	-	-	-	-	640,285
Shares Issued for Acquisition of 0995237 B.C. Ltd	9(b),7	236,666	153,833	-	-	-	-	153,833
Shares Issued on Exercise of Share Purchase Warrants	9(e)	550,000	99,000	-	-	-	-	99,000
Shares Issued on Exercise of Stock Options	9(d)	230,000	117,870	-	(54,870)	-	-	63,000
Restricted Stock Units Granted	9(c)	-	-	-	375,000	-	-	375,000
Share-Based Payments	9(f)	-	-	-	638,908	-	-	638,908
Non-Controlling Interest	7	-	-	-	-	-	22,987	22,987
Net Comprehensive Loss		-	-	-	-	(1,840,810)	(21,842)	(1,862,652)
Balance, September 30, 2019		40,450,368	23,435,201	2,500	1,898,125	(24,983,453)	291,170	643,353

Ximen Mining Corp.

Condensed Interim Statements of Comprehensive Loss

(Expressed in Canadian Dollar)

(Unaudited)

		Three Months Ended September 30,	
	Note	2019	2018
		\$	\$
EXPENSES			
Audit and Legal		17,530	8,192
Advertising and Marketing		165,868	16,001
Bank Charges and Interest		822	4,226
Consulting		133,400	-
Depreciation		3,986	1,232
Exploration and Evaluation Expenditures	8	358,907	282,812
Insurance		-	-
Management	10(c)	50,000	70,000
Office and Administration	10(c)	69,800	28,965
Rent		10,500	9,000
Regulatory Fees and Transfer Agent		7,986	1,768
Stock-Based Compensation	9(f)	1,013,908	-
Travel and Accommodation		32,196	15,808
		<u>(1,864,903)</u>	<u>(438,004)</u>
LOSS BEFORE OTHER ITEMS			
Mineral Exploration Property Recovery	8	91,228	426,488
Loss on Sale of Marketable Securities		-	(78,034)
Write Up (Down) of Marketable Securities to Market Value	4	(88,977)	87,633
		<u>(1,862,652)</u>	<u>(1,917)</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR			
		<u>(1,840,810)</u>	<u>-</u>
Attributable to the Shareholders		(1,840,810)	-
Attributable to the Non-Controlling Interest		(21,842)	-
		<u>(1,862,652)</u>	<u>(1,917)</u>
Basic and Diluted Loss Per Share			
		<u>(0.05)</u>	<u>(0.00)</u>
Weighted Average Number of Common Shares Outstanding			
		<u>37,070,349</u>	<u>23,138,1878</u>

The accompanying notes are an integral part of the financial statements.

Ximen Mining Corp.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollar)

(Unaudited)

	Three Month Ended September 30,	
	2019	2018
	\$	\$
CASH PROVIDED FROM (UTILIZED FOR):		
OPERATING ACTIVITIES		
Net Comprehensive Loss for the Year	(1,862,652)	(1,917)
Non-Cash Items		
Depreciation	3,986	1,232
Stock-Based Compensation	1,013,908	-
Exploration and Evaluation Expenditures	176,819	-
Mineral property farm-out option payment in shares	-	(250,000)
Loss on Marketable Securities	-	78,034
Write (Up) Down of Marketable Securities to Market	88,977	(87,633)
	<u>(578,962)</u>	<u>(260,284)</u>
Change in Non-Cash Working Capital Accounts		
GST Recoverable	(8,809)	(26,488)
Prepaid Expenses and Deposits	22,687	-
Option Payments and Exploration Advances Receivable	5,272	7,133
Accounts Payables and Accrued Liabilities	(20,198)	244,053
Due to/from Related Parties	(213,072)	2,327
	<u>(793,082)</u>	<u>(53,259)</u>
INVESTING ACTIVITIES		
Proceeds from Sale of Marketable Securities	-	146,200
Purchase of Marketable Securities	-	(110,081)
Reclamation Bonds	(27,500)	-
	<u>(27,500)</u>	<u>36,119</u>
FINANCING ACTIVITIES		
Proceeds from Issuance of Shares, Net of Share Issuance Costs	640,285	-
Proceeds from Exercise of Share Purchase Warrants	99,000	-
Proceeds from Exercise of Agents' Warrants	-	-
Process from Exercise of Stock Options	63,000	-
	<u>802,285</u>	<u>-</u>
INCREASE IN CASH	(18,297)	(17,140)
Cash, Beginning of the Year	<u>41,164</u>	<u>22,988</u>
CASH, END OF THE YEAR	<u>22,867</u>	<u>5,848</u>

Supplementary Cash Flow Information (Note 11)

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

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Ximen Mining Corp. (the “Company”) was incorporated under the Business Corporations Act in British Columbia on December 4, 2006, as Everett Resources Ltd. and changed its name to Elm Tree Minerals Inc. on March 19, 2012. On September 4, 2013, the Company changed its name to Ximen Mining Corp. On July 4, 2013, the Company consolidated its share capital, options and warrants on a five (old) to one (new) basis. In addition, on January 8, 2018, the Company consolidated its share capital, options, and warrants at a ratio of five (old) common shares to one (new) common share. These financial statements reflect the retroactive application of both share consolidations.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in British Columbia. The Company’s shares are listed on the TSX Venture Exchange under the symbol XIM, on the Frankfurt Exchange under the symbol IXMA, and on the US OTCQB, under the symbol XXMMF. The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments that, if any, would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at September 30, 2019, the Company has an accumulated deficit of \$24,983,453 and working capital of \$661,669. The Company’s ability to continue operations is dependent upon the financial support from its shareholders and other related parties, its ability to obtain additional financing, the existence of economically recoverable reserves, and the attainment of profitable operations or enough proceeds from disposition of the properties. The outcome of these matters cannot be predicted at this time. While management has been successful in obtaining enough funding for its operating, capital, development, and exploration requirements from the inception of the Company to date, there is no assurance that additional future funding will be available to the Company or on terms that are acceptable to management.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

The current cash resources are not adequate to pay the Company’s accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs; accordingly, there is significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The interim financial statements have been prepared in accordance to IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

These unaudited financial statements were approved and authorized for issue by the board of Directors on November 28, 2019.

b) Basis of Preparation

These interim financial statements do not include all the information required for full annual financial statements. The condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year ended June 30, 2019. The accounting policies, methods of computation and presentation applied in these financial statements are consistent with those of the previous financial year.

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up the date of issuance of the Company’s financial statements. The Company intends to adopt the following standards when they become effective.

a) IFRS 16 – Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 “Leases”, and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019. The Company has determined there is no impact of this standard on its financial statements.

NOTE 4 – MARKETABLE SECURITIES.

Marketable securities consist of a portfolio of investments held for trading. The fair value of the marketable securities has been determined directly by reference to public price quotations in an active market. These marketable securities are comprised of common shares of publicly traded companies and are classified as fair value through profit or loss and measured at fair value with unrealized gains and losses recognized through the statement of operations.

	September 30, 2019 \$	June 30, 2019 \$
Opening Balance	364,847	67,871
Marketable Securities Purchased (at Cost)	-	301,797
Marketable Securities Received from Property Option Sales	-	335,000
Marketable Securities Sold (at Cost)	-	(453,686)
Write-(Down) Up Marketable Securities to Market Value	(88,977)	44,579
Advances from Trading Account		69,286
	<hr/>	<hr/>
	275,870	364,847

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 5 – RECLAMATION BONDS

The Company posts non-interest-bearing reclamation bonds against any potential land restoration costs that may be incurred in the future on its mineral properties. The funds are held in trust and may be released after required reclamation is satisfactorily completed.

As at September 30, 2019, the amount on deposit was \$125,800 (June 30, 2019 – \$98,300) with respect to the Brett Property (\$31,000), Gold Drop Property (\$38,000), Treasure Mountain Property (\$5,000), Providence Property (\$6,000) and Kenville Property (\$45,800).

NOTE 6 – PROPERTY AND EQUIPMENT

	Vehicle \$	Property and Equipment \$	Office Furniture \$	Total \$
COST				
Balance, June 30, 2018	-	32,000	4,000	36,000
Additions	-	-	-	-
Balance, September 30, 2018	-	32,000	4,000	36,000
Balance, June 30, 2019	60,000	1,716,186	4,000	1,812,186
Balance, September 30, 2019	60,000	1,748,186	4,000	1,812,186
ACCUMULATED DEPRECIATION				
Balance, June 30, 2018	-	7,360	4,000	11,360
Depreciation	-	1,232	-	1,232
Balance, September 30, 2018	-	8,592	4,000	12,592
Balance, June 30, 2019	-	12,288	4,000	16,288
Depreciation	3,000	986	-	3,986
Balance, September 30, 2019	3,000	13,274	4,000	20,274
NET BOOK VALUE				
Balance, June 30, 2019	60,000	1,735,898	-	1,795,898
Balance, September 30, 2019	57,000	1,734,912	-	1,791,912

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 7 – INVESTMENT IN KENVILLE GOLD MINE AND PROPERTY

In April and May 2019, the Company entered into various agreements whereby it acquired approximately 78% of the issued and outstanding shares of 0995237 B.C. Ltd (“099 BC”), a private arm’s length company, in exchange for common shares and future cash payments by the Company. The principal asset of 099 BC is its option to acquire the Kenville Gold Mine, located west of Nelson, B.C.

Acquisition of Subsidiary - 0995237 B.C. Ltd.

In May 2019, the Company issued a total of 3,528,769 common shares from treasury (approximately 10.62% of the Company’s total issued outstanding common shares) for common shares and notes payable of 099 BC as follows:

- (i) 2,253,769 common shares of the Company, fair valued at \$1,115,616, to former shareholders of 099 BC in exchange for 43,261,811 common shares of 099 BC, representing 78% of the total outstanding common shares of 099 BC (the “78% Interest”).
- (ii) 1,275,000 common shares of the Company, fair valued at \$631,125, to a former shareholder of 099 BC in exchange for his promissory note receivable from 099 BC – principal amount of \$1,000,000 plus accrued interest receivable of \$118,388, for total face value of \$1,118,388. The excess of the total face value of the note payable and interest over the fair value of the Company’s shares issued, \$487,263, is recognized as gain on assumption of the promissory note payable.

The Company also has additional obligations as it acquired the following payables of 099 BC from a former shareholder of 099 BC as follows:

- (iii) Cash payable of \$980,000 in exchange for 099 BC note payable – principal amount of \$780,000 plus accrued interest payable of \$1,177,865, for total face value of \$1,957,865. The excess of the total face value of the note payable and interest over the future cash payment, \$977,865, is recognized as gain on assumption of the promissory note payable. This future cash payment is unsecured, is non-interest bearing, and includes repayment dates (Note 12). A payment of \$122,500 was made during the year ended June 30, 2019.
- (iv) Cash payable of \$400,000 in exchange for the same amount of debt owed to a former shareholder of 099 BC who paid for a mining equipment owned by 099 BC. This future cash payment is unsecured, is non-interest bearing, and includes repayment dates (Note 12).
- (v) Assumption of debt totaling \$270,000 to two former shareholders of 099 BC by 099 BC. This amount was incurred on exploration expenditures related to Kenville property.

The following table summarizes the recognized fair value amounts of assets acquired and liabilities assumed on May 30, 2019, the date of acquisition of 78% interest in 099 BC:

	\$
Cash	11,552
Term Deposit (Reclamation Bond)	45,800
GST Recoverable	3,451
Property	984,200
Equipment purchase	708,262
Accounts Payable	(400,793)
Promissory Notes Payable (8(ii)(iii))	(3,076,253)
Royalty Option Payable	(220,000)
Shareholder Advances (8(v))	(79,000)
	<hr/>
Net Liabilities of 0995237 B.C. Ltd.	(2,022,781)

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 7 – INVESTMENT IN KENVILLE GOLD MINE AND PROPERTY (Continued)

The acquisition of 78% interest of 099 BC by the Company does not meet the requirement of IFRS 3, Business Combination. As such, this acquisition was accounted for under IFRS 6, Exploration and Evaluation of Mineral Resources. The premium of the consideration paid by the Company over the net liabilities of the acquired 099 BC was expensed as exploration and evaluation expenditures as the Company's accounting policy is expensing both the acquisition costs and exploration costs during the period where the expenditures were incurred.

Acquisition of Subsidiary - 0995237 B.C. Ltd. (Continued)

The fair value of the consideration given by the Company for the 78% controlling interest in 099 BC, was \$1,115,616, (2,253,769 common shares issued at \$0.495 per share). The fair value of the 22% non-controlling interest in 099 BC was therefore valued at \$314,661, using the 78% valuation amount. Accordingly, the premium in the amount of \$3,453,057, comprising of the fair value of the shares issued by the Company plus the fair value of the 22% non-controlling interest, totaling \$1,430,277, over the fair value of the net liabilities of 0995237 BC Ltd. acquired by the Company, were recognized as exploration and evaluation expenditures for 2019.

On July 3, 2019, as part of the acquisition of 099 BC, the Company acquired an additional 4,733,320 shares of 099 BC by issuing 236,333 common shares to shareholders of 099 BC. The additional share purchase brings total percentage owned of 099 BC from 78% to 87%. The fair value of the consideration given by the Company for the additional 9% was \$153,833 (236,666 common shares issued at \$0.65 per share.) The fair value of the 13% non-controlling interest of 099 BC was therefore valued at \$22,987. A premium of \$176,819 was recognized as exploration and evaluation expenditure for the period ended September 30, 2019.

Acquisition of Royalty Option from Gungnir Resources Inc.

On April 25, 2019, the Company entered into a royalty option agreement with Gungnir Resources Inc. ("Gungnir") to acquire Gungnir's receivable from 099 BC in the amount of \$220,000 and all of Gungnir's remaining interest in its 4% gross metal royalty over 099 BC owned Kenville Gold Mine Property for total consideration of \$1,700,000. The option is exercisable at the Company's sole discretion.

Under the terms of the option agreement, to exercise the option, the Company is required to pay the \$1,700,000 as follows:

- \$500,000 in cash (paid);
- \$200,000 in common shares of Ximen (285,918 shares issued fair valued at \$142,959);
- \$1,000,000 in cash, to be paid on or before October 31, 2019 (paid subsequent to September 30, 2019).

The exercise of the option is conditional on Ximen paying the full purchase price as set out above and receipt of TSXV approval. TSXV approved the transaction on May 24, 2019.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS

Cumulative acquisition and exploration costs incurred by the Company to September 30, 2019 on its mineral properties are summarized below.

	Brett \$	Gold Drop \$	Treasury Mountain \$	Kenville \$	Caramelia \$	Bouveau; Dentonia; Providence \$	General Exploration \$	Total \$
Balance, June 30, 2018	4,576,711	637,468	241,612	-	-	773,294	152,982	6,382,067
Acquisition Costs	-	-	-	-	-	-	-	-
Exploration Costs	3,650	72,661	202,436	-	-	-	4,065	282,812
Exploration Advance	-	-	(176,488)	-	-	-	-	(176,488)
Option payments received	-	(250,000)	-	-	-	-	-	(250,000)
Balance, Sept 30, 2018	4,580,361	460,129	267,560	-	-	773,294	157,047	6,238,391
Balance, June 30, 2019	5,586,992	497,242	179,887	4,155,412	94,171	773,294	163,452	11,450,450
Acquisition Costs	-	-	-	176,819	-	-	33,000	209,819
Exploration Costs	16,653	7,690	69,728	156,217	777	-	(1,977)	249,088
Exploration Advance	-	-	(69,728)	-	-	-	(21,500)	(91,228)
Option payments received	-	(100,000)	-	-	-	-	-	(100,000)
	16,653	(92,310)	-	333,036	777	-	9,523	(267,679)
Balance, Sept 30, 2019	5,603,645	404,932	179,887	4,488,448	94,948	773,294	172,975	11,718,129

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Brett Property, British Columbia, Canada

On December 3, 2013, the Company entered into an option agreement to acquire a 100% interest in the Brett Gold Project situated in the North Okanagan region of southwest British Columbia approximately 29 kilometers west of Vernon. Under the terms of the agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$1,000,000, issuing 200,000 common shares, and issuing additional common shares of the Company with an aggregate deemed value of \$350,000 as follows:

		Number of Post-Consolidated Shares	Cash \$
On execution of agreement	(Paid)	-	50,000
By December 18, 2013	(Paid)	-	50,000
By December 23, 2013	(Issued – fair valued at \$290,000)	200,000	-
By January 17, 2014	(Paid)	-	200,000
By January 05, 2015	(Paid)	-	300,000
By January 05, 2015	(Issued – fair valued at \$126,000)	140,000	-
By December 03, 2015	(Paid)	-	400,000
By December 03, 2015	(Issued – fair valued at \$166,667)	666,667	-
		1,006,667	1,000,000

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

The Company has earned a 100% undivided interest as it has complied with all the terms of the option agreement.

On January 24, 2014, the Company entered into an option agreement to acquire a 100% interest in the 2% net smelter royalty (“NSR”) on the Brett Gold Project. The agreement was amended on February 14, 2017 and May 17, 2017 under the following amended terms: the issuance of \$50,000 worth of the Company’s common shares based on a ten day weighted average upon signing of the amended agreement, the issuance of \$420,000 worth of the Company’s common shares upon TSX approval of the amended agreement, the payment or issuance of \$60,000 in cash or common shares of the Company on February 18, 2018 and \$75,000 on February 18, 2019, and final cash payment of \$830,000 payable by February 20, 2020.

On December 4, 2018, the agreement was further amended whereby the outstanding amount of \$905,000 would be made in a final payment of 2,400,000 shares at a deemed price of \$0.30 for a total of \$720,000 thereby completing any and all payment. TSX approval was received on December 7, 2018. The fair value recognized of \$912,000 was based on the closing quoted price of the Company’s share at the date of issuance.

		Number of Post-Consolidated Shares	Cash \$
By February 20, 2014	(Issued – fair valued at \$30,000)	20,000	-
By February 20, 2015	(Issued – fair valued at \$49,077)	51,660	-
By February 20, 2016	(Issued – fair valued at \$67,739)	225,800	-
By February 18, 2017	(Issued – fair valued at \$56,601)	125,780	-
Upon TSX Approval	(Issued – fair valued at \$210,000)	1,200,000	-
By February 18, 2018	(Issued – fair valued at \$59,993)	352,900	-
By December 7, 2018	(Issued – fair valued at \$912,000)	2,400,000	-
		<u>4,376,140</u>	<u>-</u>

b) Gold Drop Property, British Columbia, Canada

On November 27, 2013, the Company entered into an option agreement to acquire a 100% interest in the Gold Drop Property located about 9 kilometers northeast from Greenwood, British Columbia, in the Greenwood Gold Mining district. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$170,000, and issuing an aggregate of 150,000 common shares as follows:

		Number of Post-Consolidated Shares	Cash \$
On November 27, 2013	(Paid)	-	25,000
On February 23, 2014	(Issued – fair valued at \$49,500, and paid)	30,000	15,000
By February 24, 2015	(Issued – fair valued at \$120,000, and paid)	50,000	60,000
By February 24, 2016	(Issued – fair valued at \$168,000, and paid)	70,000	70,000
		<u>150,000</u>	<u>170,000</u>

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

During the year ended June 30, 2016, the Company earned a 100% undivided interest by making the final cash payment of \$70,000, therefore, complying with all the terms of the option agreement.

On June 21, 2016, the Company entered into an option agreement with GGX Gold Corp. (“GGX”) to sell its 100% interest in the Gold Drop Property. GGX is required to make cash option payments totalling \$400,000, issue 1,000,000 common shares, issue additional common shares with a fair value of \$450,000, and incur exploration expenditures on the property as follows:

Cash Payments:

- \$50,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture (received); and
- \$100,000 on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019 (received).

Share Payments:

- 1,000,000 common shares within five business day following the approval by TSX Venture (received); and
- Additional common shares with a fair value of \$150,000 per year on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019 (received).

Exploration Expenditures:

- A minimum of \$1,000,000 on the property on or before July 26, 2019, but not less than \$150,000 per year on the property on or before July 26, 2017, July 26, 2018, and July 26, 2019.

The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which GGX may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with GGX by paying to GGX the amount of money equal to 30% of the total amount expended on the Property by GGX.

If the Company exercises this joint-venture right, the Company and GGX will enter into a joint venture for the exploration and development of the Property.

The transaction was approved by TSX Venture on July 26, 2016.

GGX has a common director and officer of the Company.

c) Treasure Mountain Property, British Columbia, Canada

In March 2014, the Company entered into an option agreement whereby the Company acquired a 100% interest in the Treasure Mountain property located 30 kilometres east of Hope, British Columbia by making cash payments as follows: \$75,000 cash upon signing of the agreement (paid) and \$50,000 cash due 90 days after the signing of the agreement (paid).

In 2014, the Company also acquired a 100% interest in three surrounding mineral claims for cash payments of \$70,000 (paid).

On December 7, 2016, the Company acquired a mineral tenure claim north of Treasure Mountain Property for cash payment of \$15,000 (paid) from a director of the Company. The agreement is subject to a 2% net smelter return royalty (“NSR”) payable to the vendor.

On November 30, 2016, the Company entered into an option agreement with New Destiny Mining Corp (“New Destiny”) to sell its 100% interest in all mineral claims which comprise the Treasure Mountain Property. New Destiny is required to make cash and or issue common shares totalling \$400,000, issue an aggregate of 500,000 common shares, and incur exploration expenditures on the property as follows:

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

Cash Payments:

- \$25,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture;
- \$75,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) per year on or before the first, second, and third anniversaries of the approval by TSX Venture; and
- \$100,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) on or before the fourth anniversary of the approval by TSX Venture.

Share Payment:

- 500,000 common shares with a minimum fair value of \$50,000 within five business day following the approval by TSX Venture (received).

Exploration Expenditures:

- Annual minimum exploration expenditures of \$100,000, \$150,000, \$250,000, and \$250,000 on the property in each year ending on or before the first, second, third, and fourth anniversaries, respectively, of the approval by TSX Venture.

The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which New Destiny may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with New Destiny by paying to New Destiny the amount of money equal to 30% of the total amount expended on the Property by New Destiny. If the Company exercises this joint-venture right, the Company and New Destiny will enter into a joint venture for the exploration and development of the Property.

The transaction was approved by TSX Venture on November 9, 2017. New Destiny has a common director and officer of the Company.

d) Kenville Property, British Columbia, Canada

In April and May 2019, the Company entered into various agreements whereby it acquired approximately 78% of the issued and outstanding shares of 0995237 B.C. Ltd (“099 BC”), a private arm’s length company, in exchange for common shares and future cash payments by the Company. The principal asset of 099 BC is its option to acquire the Kenville Gold Mine, located west of Nelson, B.C.

The acquisition costs comprised of: (i) the premium on the acquisition of 099 BC in the amount of \$3,429,334, the assumption of additional debts from former shareholders of 099 BC in the amount of \$191,000, and the considerations paid by the Company to Gungnir in the amount of \$500,000 (cash) and issuance of 200,000 shares with fair value of \$142,959, less assumption of the receivable from 099 BC in the amount of \$220,000 (Note 7).

e) Cariboo-Armelia (“Cararmelia”) Property, British Columbia, Canada

On June 4, 2019, the Company entered into an agreement to acquire crown granted mineral properties covering the Cariboo-Armelia gold mine in Camp McKinney in British Columbia. The acquisition includes crown-granted claims: Molson, Paragon, Burley#1, Edward VII, Wonder Y, Last Chance, Fontenoy, Emma, Alice, Cariboo, Armelia, Okanagan, Maple Leaf, Sawtooth and Wiarton. The properties Maple Leaf and Wiarton also include the surface rights as originally granted. In exchange for the 100% interest in all these properties, the Company issued 212,888 common shares fair valued at \$93,671.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

f) Bouleau Property, British Columbia, Canada

On July 15, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Bouleau Property which is adjacent to the Company's Brett property located near Vernon, British Columbia. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling US\$250,000, and issuing additional common shares of the Company with an aggregate deemed value of \$300,000 as follows:

		Number of Post-Consolidated Shares	Cash US\$
On September 05, 2014	(Paid)	-	100,000
On September 05, 2014	(Issued – fair valued at \$102,174)	43,478	-
By March 05, 2015	(Paid)	-	50,000
By March 05, 2015	(Issued – fair valued at \$67,211)	96,015	-
By September 30, 2015	(Paid)	-	50,000
By September 30, 2015	(Issued– fair valued at \$46,260)	264,340	-
By March 05, 2016	(Paid)	-	50,000
By March 05, 2016	(Issued – fair valued at \$72,545)	241,818	-
By September 05, 2016	(Issued – fair valued at \$82,944)	107,025	-
		752,676	250,000

During the year ended June 30, 2017, the Company earned a 100% undivided interest by making the final share issuance payment, therefore, complying with all the terms of the option agreement.

g) Dentonia Property, South, British Columbia, Canada

On August 29, 2014, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Dentonia South Property, located 10 miles south of Greenwood, British Columbia, by issuing 30,000 common shares fair valued at \$51,000.

h) Providence Property, South, British Columbia, Canada

In August 2017, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Providence South Property, near Greenwood, British Columbia, by issuing a total of 280,000 common shares fair valued at \$53,000.

NOTE 9 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited common shares without par value

b) Issued and Outstanding Share Capital

As at September 30, 2019, there were 40,450,368 (June 30, 2019 – 38,018,700) common shares issued and outstanding.

The following share issuances occurred during the period ended September 30, 2018:

There were no shares issued during the period ended September 30, 2018

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 9 – SHARE CAPITAL (Continued)

The following share issuances occurred during the period ended September 30, 2019:

- i. On July 3, 2019, as part of the acquisition of 099 BC (Note 7), the Company acquired an additional 4,733,320 shares of 099 BC by issuing 236,333 common shares to shareholders of 099 BC.
- ii. On July 11, 2019, the Company closed the first tranche of its draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$250,000 from Alumina by issuing 480,770 units consisting of one common share priced at \$0.52 per share and eighteen month warrants exercisable at \$0.8125 per share.
- iii. On July 26, 2019, the Company closed its second tranche of its draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$250,000 from Alumina by issuing 446,428 units consisting of one common share priced at \$0.56 per share and eighteen month warrants exercisable at \$0.875 per share.
- iv. On September 18, 2019, the Company closed its third tranche of its draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$150,000 from Alumina by issuing 487,804 units consisting of one common share priced at \$0.3075 per share and eighteen month warrants exercisable at \$0.5125 per share.
- v. During the period ended September 30, 2019, the Company issued 550,000 shares upon the exercise of share purchase warrants for gross proceeds of \$99,000. The Company also issued 230,000 shares upon the exercise of stock options for gross proceeds of \$63,000.

c) Shares Issued Under Restricted Stock Unit (RSU) Plan

During the year ended June 30, 2019, the board of directors approved the adoption of a new Restricted Share Unit Plan (“RSU Plan”), which was approved by the shareholders. The RSU Plan allows the eligible person to acquire restricted share units of the Company and is designed to provide the Company with an additional tool to compensate certain directors, officers, consultants and other key employees of the Company. The maximum number of RSU units that the Company may grant is 2,250,000 units.

During the period ended September 30, 2019, the Company issued a total of 500,000 common shares with a fair value of \$375,000 to employees, consultants and directors of the Company, pursuant to the RSU plan.

d) Stock Options

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

The continuity schedule of stock options for the period ended September 30, 2019 is as follows. For the period ended September 30, 2019, 2,685,000 options were outstanding with a weighted average exercise price of \$0.54 and an average remaining life of 3.52 years.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

Stock option transactions and the number of stock options outstanding are summarized as follows:

Expiry Date	Exercise Price	June 30, 2019	Granted	Exercised	Expired/ Cancelled	September 30, 2019
April 29, 2020	\$0.60	340,000	-	-	-	340,000
February 2, 2021	\$0.25	155,000	-	-	-	155,000
October 5, 2021	\$0.75	130,000	-	-	-	130,000
November 22, 2021	\$0.60	210,000	-	-	-	210,000
February 14, 2023	\$0.18	200,000	-	(50,000)	-	150,000
December 27, 2023	\$0.30	780,000	-	(180,000)	-	600,000
July 11, 2024	\$0.75	-	100,000	-	-	100,000
July 15, 2024	\$0.70	-	1,000,000	-	-	1,000,000
		1,815,000	1,100,000	(230,000)	-	2,685,000

The continuity schedule of stock options for the period ended September 3, 2018 are as follows. For the period ended September 30, 2018, 1,740,000 options were outstanding with a weighted average exercise price of \$0.44 and an average remaining life of 2.33 years.

Expiry Date	Exercise Price	June 30, 2018	Granted	Exercised	Expired/ Cancelled	September 30, 2018
February 16, 2019	\$0.500	185,000	-	-	-	185,000
March 20, 2019	\$0.450	260,000	-	-	-	260,000
April 29, 2020	\$0.600	340,000	-	-	-	340,000
February 2, 2021	\$0.250	195,000	-	-	-	195,000
October 5, 2021	\$0.750	130,000	-	-	-	130,000
November 22, 2021	\$0.600	230,000	-	-	-	230,000
February 14, 2023	\$0.180	400,000	-	-	-	400,000
		1,740,000	-	-	-	1,740,000

d) Share Purchase Warrants

The continuity schedule of share purchase warrants for the period ended September 30, 2019 is as follows. Total outstanding share purchase warrants as at September 30, 2019 is 6,337,542 with a weighted average exercise price of \$0.57.

Expiry Date	Exercise Price	June 30, 2019	Issued	Exercised	Expired/ Cancelled	September 30, 2019
August 27, 2019	\$0.18	350,000	-	(350,000)	-	-
September 10, 2019	\$0.18	900,000	-	(200,000)	(700,000)	-
April 20, 2020	\$0.25	230,000	-	-	-	230,000
January 03, 2021	\$0.30	877,000	-	-	-	877,000
January 11, 2021	\$0.8125	-	480,770	-	-	480,770
January 26, 2021	\$0.8750	-	446,428	-	-	446,428
February 1, 2021	\$0.30	123,000	-	-	-	123,000
March 18, 2021	\$0.5125	-	487,804	-	-	487,804
August 15, 2021	\$0.50	462,000	-	-	-	462,000
October 24, 2021	\$1.00	924,040	-	-	-	924,040
December 30, 2021	\$0.50	200,000	-	-	-	200,000
April 11, 2022	\$0.375	940,000	-	-	-	940,000
April 13, 2022	\$0.375	404,500	-	-	-	404,500
April 20, 2022	\$0.375	200,000	-	-	-	200,000
December 13, 2022	\$0.25	562,000	-	-	-	562,000
		6,172,540	1,415,002	(550,000)	(700,000)	6,337,542

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 9 – SHARE CAPITAL (Continued - Share Purchase Warrants)

The continuity schedule of share purchase warrants for the period ended September 30, 2018 is as follows. Total outstanding share purchase warrants as September 30, 2018 is 11,973,166 with a weighted average exercise price of \$0.35.

Expiry Date	Exercise Price	June 30, 2018	Issued	Exercised	Expired/ Cancelled	September 30, 2018
January 4, 2019	\$0.250	3,478,126	-	-	-	3,478,126
August 27, 2019	\$0.18	2,160,000	-	-	-	2,160,000
September 10, 2019	\$0.18	1,340,000	-	-	-	1,340,000
April 20, 2020	\$1.250	230,000	-	-	-	230,000
August 15, 2021	\$0.500	852,000	-	-	-	852,000
October 24, 2021	\$1.000	924,040	-	-	-	924,040
December 30, 2021	\$0.500	200,000	-	-	-	200,000
April 11, 2022	\$0.375	940,000	-	-	-	940,000
April 13, 2022	\$0.375	1,087,000	-	-	-	1,087,000
April 20, 2022	\$0.375	200,000	-	-	-	200,000
December 13, 2022	\$0.250	562,000	-	-	-	562,000
		11,973,166	-	-	-	11,973,166

e) Agents' Warrants

The continuity schedule of agent's warrants for the period ended September 30, 2019 is as follows. Total outstanding Agents' warrants as at September 30, 2019 is 119,533 with a weighted average exercise price of \$0.31.

Expiry Date	Exercise Price	June 30, 2019	Issued	Exercised	Expired/ Cancelled	September 30, 2019
December 11, 2020	\$0.300	93,333	-	-	-	93,333
January 04, 2021	\$0.300	3,200	-	-	-	3,200
April 13, 2022	\$0.375	23,000	-	-	-	23,000
		119,533	-	-	-	119,533

The continuity schedule of agent's warrants for the period ended September 30, 2018 is as follows. Total outstanding Agents' warrants as at September 30, 2018 is 23,000 with a weighted average exercise price of \$0.375.

Expiry Date	Exercise Price	June 30, 2018	Issued	Exercised	Expired/ Cancelled	September 30, 2018
April 13, 2022	\$0.375	23,000	-	-	-	23,000
		23,000	-	-	-	23,000

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

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NOTE 9 – SHARE CAPITAL (Continued)

f) Share-Based Payments

Stock-based compensation costs have been determined based on the fair value of the stock options and agents' warrants at the grant date using the Black-Scholes option-pricing model.

During the period ended September 30, 2019, the Company issued 1,100,000 options (2018 – Nil) with a fair market value of \$638,908 (2018 - \$Nil). The Company also granted 500,000 restricted stock units with a fair market value of \$375,000.

The following assumptions were used for the Black-Scholes valuation of agents' warrants granted:

	2019
Risk-free interest rate	1.520% - 1.567%
Expected life of agents' warrants	5 years
Annualized volatility	110.042% -110.092%
Dividend rate	0.00%

NOTE 10 – RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive) and senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions are in the normal course of operations. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

a) Amount Due to Related Party

Amounts due to related parties are in the normal course of business, unsecured, non-interest bearing, and have no specific terms of repayment.

b) Compensation of Key Management Personnel

All related party transactions were in the ordinary course of business and were measured at their exchange amount.

	September 30, 2019	September 30, 2018
	\$	\$
Consulting Fees	-	-
Management Fees	45,000	70,000
Exploration	-	11,918
Office Administration and Support Fees	6,222	20,150
Stock-Based Compensation	477,327	-
	<u>528,549</u>	<u>102,068</u>

c) During the period ended September 30, 2019, the Company incurred \$51,222 (2018 – \$90,150) in management and consulting fees, and reimbursements of travel and other expenses to a director and officer (and a company controlled by the director) of the Company. As at September 30, 2019, \$8,354 was payable.

d) During the period ended September 30, 2019, the Company incurred exploration expenses of \$Nil (2018 - \$11,918) to a Company control by a director of the Company.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

For the Three Months Ended September 30, 2019

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NOTE 10 – RELATED PARTY TRANSACTIONS (Continued)

- e) During the period ended September 30, 2019, the Company incurred stock-based compensation of \$477,327 (2018 – \$Nil) to directors and officers of the Company for the granting of stock options and RSUs.

NOTE 11 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Significant Non-Cash Financing Activities

	September 30, 2019 \$	September 30, 2018 \$
Shares Issued for Exploration and Evaluation Expenditures	153,833	-
	153,833	-

b) Other Items

Income Taxes Paid	-	-
Interest Paid	-	-
	-	-

NOTE 12 – COMMITMENT

- a) The Company entered into a five-year agreement with its Director, President and Chief Executive Officer in December 2016, for consulting services to the Company for monthly consideration of \$15,000 (plus applicable taxes) plus automobile and reimbursement of all traveling and direct expenses incurred.
- b) The Company entered into one-year agreement with an individual to provide investor relations services. In consideration for the services, the Company shall pay a monthly fee of \$4,700 plus applicable taxes.
- c) Pursuant to the acquisition of 099 BC and mining equipment from former shareholders of 099 BC (Note 7), the cash payable due dates are as follows:
- (i) \$270,000 due to two former shareholders of 099 BC – no fixed terms of repayment;
 - (ii) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2019;
 - (iii) \$522,500 due to the former shareholders of 099 BC – on or before May 30, 2020;
 - (iv) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2020;
 - (v) \$122,500 due to the former shareholders of 099 BC – on or before May 30, 2021;
 - (vi) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2021;
 - (vii) \$122,500 due to the former shareholders of 099 BC – on or before May 30, 2022; and
 - (viii) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2022.

Ximen Mining Corp.

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NOTE 13 – NON-CONTROLLING INTEREST

The non-controlling interest consists of 22% ownership of 0995237 BC. The Company acquired 78%, the controlling shares, of 099 BC on May 30, 2019 (Note 7).

	\$
CURRENT:	
ASSETS	14,196
LIABILITIES	<u>(3,887,220)</u>
CURRENT NET LIABILITIES	<u>(3,873,024)</u>
NON-CURRENT	
ASSETS	<u>922,656</u>
NON-CURRENT NET ASSETS	<u>922,656</u>
NET LIABILITIES	<u>(2,950,368)</u>

In July 2019, the Company acquired an additional 9% ownership bringing total ownership to 87%. As at September 30, 2019, the non-controlling interest consists of 13% ownership of 0995237 BC.

The following is the summarized comprehensive loss of 099 BC for the period since acquisition to June 30, 2019:

	May 30 to June 30, 2019 \$
Expenses	<u>111,981</u>
Total Comprehensive Loss	<u>111,981</u>

The following is the summarized comprehensive loss of 099 BC for the period ended September 30, 2019:

	July 01 to September 30, 2019 \$
Expenses	<u>168,012</u>
Total Comprehensive Loss	<u>168,012</u>

NOTE 14 – CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. 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 Company manages its share capital as capital, which as at September 30, 2019, was \$23,435,201 (June 30, 2019 – \$22,424,213). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended September 30, 2019.

Ximen Mining Corp.

Notes to the Condensed Financial Statements

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NOTE 15 – FINANCIAL INSTRUMENTS

The fair value of the Company's loan receivable, accounts payable and accrued liabilities, convertible debentures payable, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instruments and cash under the fair value hierarchy are recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company had a cash balance of \$22,867 to settle current liabilities of \$1,487,070. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans receivable and amounts due to related parties are non-interest bearing. Interest on the Company's debentures payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

e) Commodity Price Risk

The Company is 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. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

NOTE 16 – SUBSEQUENT EVENTS

- i. On October 22, 2019, the Company announced that it has arranged a non-brokered private placement of 1,282,052 flow-through shares at a price of \$0.39 per share for gross proceeds of \$500,000. The Company later announced on November 11, 2019 that it has closed the offering.
- ii. On October 23, 2019, the Company announced that it has closed the first, second and third tranches of a private placement offering by issuing 2,555,168 units for gross proceeds of \$766,550. Each unit consists of one common share at a price of \$0.30 and one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 18 months from the date of issuance, one additional common share of at an exercise price of \$0.45 per share.
- iii. On November 4, 2019, the Company announced that it has made its final payment on the royalty option agreement with Gungnir Resources Inc. (Note 7).