



June 30, 2020 and 2019

Consolidated Financial Statements

(Expressed in Canadian Dollars)

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Independent Auditors' Report

To the Shareholders of:
XIMEN MINING CORP.

Opinion

We have audited the consolidated financial statements of Ximen Mining Corp. ("the Company"), which comprise the consolidated statements of financial position as at June 30, 2020 and June 30, 2019 and the consolidated statements of comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and June 30, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$7,301,626 during the year ended June 30, 2020, and as of that date, had accumulated losses since inception of \$30,396,063. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.

October 27, 2020



Ximen Mining Corp.

Consolidated Statements of Financial Position

As at June 30, 2020 and 2019

(Expressed in Canadian Dollars)

	Note	2020 \$	2019 \$
ASSETS			
CURRENT			
Cash		718,573	41,164
GST Recoverable		57,213	56,096
Option Payments and Exploration Advances Receivable	9	463,749	444,343
Marketable Securities	5	156,914	364,847
Prepaid Expenses and Deposits		251,132	45,375
Due from Related Party	13(e)(f)	320,000	-
		1,967,581	951,825
NON-CURRENT			
Reclamation Bonds	6	125,800	98,300
Property and Equipment	7	1,997,399	1,795,898
Exploration and Evaluation Assets	9	-	-
		4,090,780	2,846,023
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		344,485	583,914
Flow-Through Share Premium Liability	11	109,225	-
Loan Payable	10	13,500	-
Payable on acquisition of subsidiary	15	700,000	915,000
Due to Related Parties	13	8,314	221,427
		1,175,524	1,720,341
NON-CURRENT			
Payable on acquisition of subsidiary	15	612,500	612,500
		1,788,024	2,332,841
SHAREHOLDERS' EQUITY			
Share Capital	12	30,445,419	22,424,213
Share Subscriptions Received		103,750	2,500
Share-Based Payment Reserve		2,029,645	939,087
Reserve – Other comprehensive income	8	(44,211)	-
Deficit		(30,396,063)	(23,142,643)
Equity Attributed to Ximen Mining Corp. Shareholders		2,138,540	223,157
Non-Controlling Interest	17	164,216	290,025
		2,302,756	513,182
		4,090,780	2,846,023

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

Commitment (Note 15)

Subsequent Events (Note 20)

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

Approved on Behalf of the Board:

“Christopher Anderson”

Christopher Anderson, Director

“Scott Kent”

Scott Kent, Director

Ximen Mining Corp.

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital \$	Share Subscription Received \$	Share-Based Payment Reserve \$	Accumulated Other Comprehensive Loss \$	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
Shares Issued for Cash, Net of Share Issuance Costs	12(b)(i)	3,475,001	1,157,515	-	-	-	-	-	1,157,515
Shares Issued for Exploration and Evaluation Assets	12(b)(i)	2,612,888	1,005,671	-	-	-	-	-	1,005,671
Shares Issued for Acquisition of 0995237 B.C. Ltd	8	3,528,769	1,746,741	-	-	-	-	-	1,746,741
Shares Issued for Royalty Option Asset	8	285,918	142,959	-	-	-	-	-	142,959
Shares Issued on Exercise of Share Purchase Warrants	12(e)	4,005,837	1,026,771	-	-	-	-	-	1,026,771
Shares Issued on Exercise of Agents' Warrants	12(f)	102,100	27,480	-	(9,103)	-	-	-	18,377
Shares Issued on Exercise of Stock Options	12(d)	620,000	289,547	-	(67,547)	-	-	-	222,000
Fair Value of Agents' Warrants Issued	12(b)(i)	-	(16,136)	-	16,136	-	-	-	-
Fair Value of Stock Options Expired		-	-	-	(7,566)	-	7,566	-	-
Restricted Stock Units Exercised	12(c)	250,000	102,500	-	-	-	-	-	102,500
Share-Based Payments	12(g)	-	-	-	206,249	-	-	-	206,249
Non-Controlling Interest	8	-	-	-	-	-	-	314,661	314,661
Net Comprehensive Loss for the Year		-	-	-	-	-	(5,576,455)	(24,636)	(5,601,091)
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	12(b)(ii)	13,487,827	4,786,745	-	-	-	-	-	4,786,745
Shares Issued for Exploration and Evaluation Assets	12(b)(ii)	4,774,999	1,820,527	-	-	-	-	-	1,820,527
Shares Issued for Acquisition of 0995237 B.C. Ltd	8	256,666	167,033	-	-	-	-	-	167,033
Shares Issued for Debt	8	771,428	277,714	-	-	-	-	-	277,714
Share Subscription Received		-	-	101,250	-	-	-	-	101,250
Shares Issued on Exercise of Share Purchase Warrants	12(e)	1,885,000	398,750	-	-	-	-	-	398,750
Shares Issued on Exercise of Agents' Warrants	12(f)	77,777	36,193	-	(12,860)	-	-	-	23,333
Shares Issued on Exercise of Stock Options	12(d)	355,000	166,744	-	(78,244)	-	-	-	88,500
Fair Value of Agents' Warrants Issued	12(b)(ii)	-	-	-	45,972	-	-	-	45,972
Fair Value of Stock Options Expired		-	-	-	(45,219)	-	45,219	-	-
Fair Value of Warrants Issued for Property		-	-	-	542,000	-	-	-	542,000
Restricted Stock Units Exercised	12(c)	1,000,000	367,500	-	-	-	-	-	367,500
Share-Based Payments	12(g)	-	-	-	638,909	-	-	-	638,909
Non-Controlling Interest	8	-	-	-	-	-	-	(122,822)	(122,822)
Net Loss for the Year		-	-	-	-	-	(7,298,639)	(2,987)	(7,301,626)
Other Comprehensive Loss for the Year		-	-	-	-	(44,211)	-	-	(44,211)
Balance, June 30, 2020		60,627,397	30,445,419	103,750	2,029,645	(44,211)	(30,396,063)	164,216	2,302,756

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

Ximen Mining Corp.

Consolidated Statements of Comprehensive Loss

For the Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

	Note	2020 \$	2019 \$
EXPENSES			
Audit and Legal		76,944	119,784
Advertising and Marketing		576,874	415,747
Bank Charges and Interest		1,396	10,043
Consulting		268,139	346,870
Depreciation		15,944	4,928
Exploration and Evaluation Expenditures	9	4,632,113	5,617,394
Insurance		21,221	9,500
Management	13(c)	292,000	296,800
Office and Administration	13(c)	259,917	127,465
Rent		48,750	39,000
Regulatory Fees and Transfer Agent		56,149	73,985
Stock-Based Compensation	12(f)	1,006,408	308,749
Travel and Accommodation		162,487	175,282
LOSS BEFORE OTHER ITEMS		(7,418,342)	(7,545,547)
BC Mining Exploration Tax Credit		-	351
Gain on Assumption of Notes Payable for 0995237 B.C. Ltd.	8	-	1,465,128
Loss on Sale of Marketable Securities		-	(116,534)
Mineral Exploration Property Recovery	9	260,956	549,011
Reversal of Flow-Through Share Premium Liability		71,407	-
Write Up (Down) of Marketable Securities to Market Value	5	(207,933)	44,579
Loss on Debt Settlement	12(ii)	(7,714)	-
Gain on Write-off Accounts Payable		-	1,921
NET LOSS FOR THE YEAR		(7,301,626)	(5,601,091)
Attributable to the Shareholders		(7,298,639)	(5,576,455)
Attributable to the Non-Controlling Interest		(2,987)	(24,636)
		(7,301,626)	(5,601,091)
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income (Loss)	8	(44,211)	-
NET COMPREHENSIVE LOSS FOR THE YEAR		(7,345,837)	-
Attributable to the Shareholders		(44,211)	-
Attributable to the Non-Controlling Interest		-	-
		(44,211)	-
Basic and Diluted Loss Per Share		(0.15)	(0.20)
Weighted Average Number of Common Shares Outstanding		48,154,781	28,571,492

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

Ximen Mining Corp.

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

	2020 \$	2019 \$
CASH PROVIDED FROM (UTILIZED FOR):		
OPERATING ACTIVITIES		
Net Loss for the Year	(7,301,626)	(5,601,091)
Non-Cash Items		
Depreciation	15,944	4,928
Stock-Based Compensation	1,006,408	308,749
Exploration and Evaluation Expenditures	2,362,527	4,548,964
Mineral property farm-out option payment in shares	-	(335,000)
Loss on Marketable Securities	-	116,534
Write (Up) Down of Marketable Securities to Market	207,933	(44,579)
Reversal of Flow-Through Share Premium Liability	(71,407)	-
Gain on Assumption of Note Payable for 0995237 B.C. Ltd.	-	(1,465,128)
Loss on Debt Settlement	7,714	-
Gain on Write-off Accounts Payable	-	(1,921)
	(3,772,507)	(2,468,544)
Change in Non-Cash Working Capital Accounts		
GST Recoverable	(1,119)	357
Prepaid Expenses and Deposits	(205,757)	(42,375)
Option Payments and Exploration Advances Receivable	(19,406)	(273,292)
Accounts Payables and Accrued Liabilities	(263,113)	363,521
Due to/from Related Parties	(239,427)	218,727
	(4,501,329)	(2,201,606)
INVESTING ACTIVITIES		
Proceeds from Sale of Marketable Securities	-	267,865
Purchase of Marketable Securities, Net of Trading Account Advances	-	(301,798)
Purchase of Vehicles and Equipment	(217,445)	(60,000)
Acquisition of Subsidiary, Net of Cash Acquired	-	(110,948)
Reclamation Bonds	(27,500)	-
	(244,945)	(204,881)
FINANCING ACTIVITIES		
Proceeds from Issuance of Shares, Net of Share Issuance Costs	4,844,600	1,157,513
Proceeds from Exercise of Share Purchase Warrants	398,750	1,026,772
Proceeds from Exercise of Agents' Warrants	23,333	18,378
Proceeds from Exercise of Stock Options	88,500	222,000
Proceeds from Loan Advance	313,500	-
Loan Repayment	(245,000)	-
	5,423,683	2,424,663
INCREASE IN CASH	677,409	18,176
Cash, Beginning of the Year	41,164	22,988
CASH, END OF THE YEAR	718,573	41,164

Supplementary Cash Flow Information (Note 14)

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

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

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. 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 A1W2EG, and on the US OTCQX, under the symbol XXMMF. The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

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.

These consolidated 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 June 30, 2020, the Company has an accumulated deficit of \$30,396,063 and working capital of \$792,057. The Company’s ability to continue operations is dependent upon the financial support from its shareholders and other parties, its ability to obtain additional financing, the existence of economically recoverable reserves, the attainment of profitable operations, and sufficient proceeds from disposition of properties. The outcome of these matters cannot be predicted at this time. While management has been successful in obtaining sufficient 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 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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 audited consolidate financial statements were approved and authorized for issue by the Board of Directors on October 27, 2020.

b) Basis of Consolidation

These consolidated financial statements include the accounts of its subsidiary (collectively, the “Company”). Intercompany balances and transactions are eliminated in preparing these consolidated financial statements. The net assets and net profit attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the consolidated statement of financial position and consolidate statement of comprehensive income. The following companies have been consolidated within these consolidated financial statements:

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Consolidation (Continued)

Entity	Country of Incorporation	Ownership	Functional Currency
Ximen Mining Corp.	Canada	Parent Company	Canadian Dollar
0995475 B.C. Ltd.	Canada	88%	Canadian Dollar

c) Business Combinations and Asset Acquisitions

Acquisitions of businesses are accounted for using the acquisition method. The cost of a business combination is measured as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree. The Company recognizes identifiable assets acquired and liabilities assumed at their acquisition date fair values. Acquisition related costs are expensed to profit or loss.

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. The cost of an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

d) Reclamation Bonds

Reclamation bonds are recorded at amortized cost and held by Canadian government agencies or in trust.

e) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the declining balance method of 20% per year.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

f) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Exploration and Evaluation Assets

Expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the statement of comprehensive loss.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

h) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive income.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision is only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at June 30, 2020 and 2019, the Company has no material decommissioning and restoration provision.

(ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

i) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants.

Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the date the shares are issued.

j) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is antidilutive.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Flow-Through Shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

To account for flow-through units, on issuance, the Company allocates flow-through share proceeds into i) share capital, equal to the market value of the shares, ii) a flow-through share premium liability, equal to the estimated premium investors pay for the flow-through feature, and iii) reserve for warrants, equal to the remaining proceeds received.

The amount recorded as a liability relating to the sale of tax benefits is reversed when the tax benefits are renounced. The difference between the amount originally recorded as a liability and the estimated income tax benefits on date of renouncement is recognized in profit or loss. The tax effect of the renunciation is recorded at the time the Company makes the renunciation, which may differ from the effective date of renunciation.

l) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period. Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

m) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statement of financial position include 'Subscriptions Received', 'Share-based Payment Reserve', and 'Deficit'.

- 'Subscriptions Received' is used to recognize the value of cash received towards share subscriptions that have not been issued by year-end.
- 'Share-based Payment Reserve' is used to recognize the fair value of stock option grants and warrants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.
- 'Deficit' is used to record the Company's change in deficit from earnings from period to period and to recognize the fair value of stock option grants and warrants after expiry or cancellation.

n) Refundable Mining Tax Credits

The Company qualifies for refundable mining tax credits on eligible mining exploration expenditures incurred in the Province of British Columbia, Canada. This tax credit is applied against exploration expenditures incurred and recorded as tax credit receivable when the terms and conditions of the government mineral exploration assistance program have been complied with, the credit can be reasonably estimated, and collection is reasonably assured.

o) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income Taxes (Continued)

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

p) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification IFRS 9
Cash	FVTPL
Marketable Securities	FVTPL
Accounts payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Financial Instruments (Continued)

(ii) Measurement (Continued)

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

NOTE 3 – NEW ACCOUNTING STANDARDS ISSUED

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 periods beginning on or after January 1, 2019. The Company has determined there is no impact of this standard on its financial statements.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company’s accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant areas where management's judgment has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, Financial instruments: recognition and measurement;
- The recoverability of the carrying value of the mineral property interests is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

Significant areas requiring the use of management estimates and assumptions include:

a) Useful Lives of Property and Equipment

Management reviews the useful lives of property and equipment at each reporting date, based on the expected utility of these assets to the Company. Actual useful lives of these assets may differ from the estimate.

b) Business Combinations and Asset Acquisitions

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in the income statement in the subsequent period.

c) Impairment of Non-Current Assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

d) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets. The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

e) Share-Based Compensation

The fair value of stock-based compensation is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 5 – 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.

	2020	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 Up (Down) Marketable Securities to Market Value	(207,933)	44,579
Advances from Trading Account	-	69,286
	<u>156,914</u>	<u>364,847</u>

NOTE 6 – 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 June 30, 2020, the amount on deposit is \$125,800 (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 7 – PROPERTY AND EQUIPMENT

	Vehicle \$	Property and Equipment \$	Office Furniture \$	Total \$
COST				
Balance, June 30, 2018	-	32,000	4,000	36,000
Additions	<u>60,000</u>	<u>1,716,186</u>	<u>-</u>	<u>1,776,186</u>
Balance, June 30, 2019	60,000	1,748,186	4,000	1,812,186
Additions	<u>185,889</u>	<u>22,888</u>	<u>8,667</u>	<u>217,444</u>
Balance, June 30, 2020	<u>245,889</u>	<u>1,771,074</u>	<u>12,667</u>	<u>2,029,630</u>
ACCUMULATED DEPRECIATION				
Balance, June 30, 2018	-	7,360	4,000	11,360
Depreciation	<u>-</u>	<u>4,928</u>	<u>-</u>	<u>4,928</u>
Balance, June 30, 2019	-	12,288	4,000	16,288
Depreciation	<u>12,000</u>	<u>3,943</u>	<u>-</u>	<u>15,943</u>
Balance, June 30, 2020	<u>12,000</u>	<u>16,231</u>	<u>4,000</u>	<u>32,231</u>
NET BOOK VALUE				
Balance, June 30, 2019	60,000	1,735,898	-	1,795,898
Balance, June 30, 2020	<u>233,889</u>	<u>1,754,843</u>	<u>8,667</u>	<u>1,997,399</u>

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 8 – 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 13). 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 13).
- (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)
Net Liabilities of 0995237 B.C. Ltd.	<u>(2,022,781)</u>

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.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 8 – INVESTMENT IN KENVILLE GOLD MINE AND PROPERTY (Continued)

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 236,666 common shares to shareholders of 099 BC. On June 8, 2020, the Company acquired an additional 400,000 shares of 099 by issuing 20,000 common shares. The additional shares purchased brings the total percentage owned of 099 BC from 78% to 88%. The fair value of the consideration given by the Company for the additional 10% of non-controlling interest was \$167,033 including \$153,833 (236,666 common shares issued at \$0.65 per share) and \$13,200 (20,000 common shares issued at \$0.66 per share). The carrying value of the additional 10% non-controlling interest was \$122,822 prior to the acquisition of these non-controlling interests by the Company. The difference between the fair value of the consideration paid by the Company (\$167,033) and the carrying value (\$122,822), \$44,211, was charged to other comprehensive loss in 2020.

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.

To exercise the option under the option agreement, 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).

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.

NOTE 9 – EXPLORATION AND EVALUATION EXPENDITURES

Cumulative acquisition and exploration costs incurred by the Company to June 30, 2020 are summarized below:

	Brett (a) \$	Gold Drop (b) \$	Treasury Mountain (c) \$	Kenville, Carmelia (d)(e) \$	Bouleau; Dentonia; Providence (f)(g)(h) \$	Various, (i)(j)(k) (l)(m)(n) \$	General Exploration \$	Total \$
Balance, June 30, 2018	4,576,711	637,468	241,612	-	773,294	-	152,982	6,382,067
Acquisition Costs	912,000	-	-	4,136,964	-	-	-	5,048,964
Exploration Costs	98,281	109,774	237,286	112,619	-	-	10,470	568,430
Exploration Advance	-	-	(289,011)	-	-	-	-	(289,011)
Option payments received	-	(250,000)	(10,000)	-	-	-	-	(260,000)
	1,010,281	(140,226)	(61,725)	4,249,583	-	-	10,470	5,068,383
Balance, June 30, 2019	5,586,992	497,242	179,887	4,249,583	773,294	-	163,452	11,450,450
Acquisition Costs	-	-	-	1,000,000	-	2,741,029	-	3,741,029
Exploration Costs	94,746	17,247	124,985	608,725	39,211	-	6,170	891,084
Exploration Advance	-	-	(139,456)	-	-	-	(21,500)	(160,956)
Option payments received	-	(100,000)	-	-	-	-	-	(100,000)
	94,746	(82,753)	(14,471)	1,608,725	39,211	2,741,029	(15,330)	4,371,157
Balance, June 30, 2020	5,681,738	414,489	165,416	5,858,308	812,505	2,741,029	148,122	15,821,607

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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NOTE 9 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

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 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

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 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	-
		4,376,140	-

Ximen Mining Corp.

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NOTE 9 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

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 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>

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. The Company and GGX have a common director and officer.

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).

Ximen Mining Corp.

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(Expressed in Canadian Dollars)

NOTE 9 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

c) Treasure Mountain Property, British Columbia, Canada (Continued)

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:

Cash Payments:

- \$25,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture (received);
- \$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 (received), second (not received), 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. The Company and New Destiny have a common director and officer.

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

During the year ended June 30, 2020, the Company increased its percentage ownership of 099 BC from 78% to 88% (Note 8).

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 9 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

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.

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 acquired 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 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.

i) Nelson California and Camp McKinney, Southern British Columbia, Canada

In February 2020, the Company entered into an agreement with an arm’s length individual to acquire mineral claims comprising of the Nelson California gold mineral claim and the Camp McKinney gold mineral claim in Southern British Columbia. For consideration, the Company issued 111,111 common shares fair valued at \$50,000 and cash payment of \$30,000.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 9 – EXPLORATION AND EVALUATION EXPENDITURES (Continued)

j) Ron Gold, Clubine, Hughes and Quartz Mountain, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its properties located in British Columbia including the Ron Gold Property, the Clubine Property, the Hughes Property and the Quartz Mountain Property. The properties total 98 mineral claims covering 1,171 hectares and one crown granted mineral claim of 8.7 hectares located in southeastern British Columbia. For consideration, the Company paid \$100,000 cash, issued 1,000,000 shares fair valued at \$410,00 and issued 1,000,000 share purchase warrants exercisable at \$0.45 for a 24 month period, fair valued at \$200,000.

k) Stewart and Rozan, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of Stewart and Rozan properties located in southeastern British Columbia. The two properties consist of 60 mineral claims covering a total of 7,739 hectares. For consideration, the Company paid \$100,000, issued 1,275,000 shares fair valued at \$369,750 and 1,275,000 share purchase warrants at \$0.45 per share for three years, increasing to \$0.55 per share in year 4 and year 5 from the date of issuance, fair valued at \$342,000.

l) 49er Creek and Queen Victoria, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southeastern British Columbia. The properties cover a total of 105 mineral claims covering approximately 4,276 hectares. For consideration, the Company paid \$100,000 and issued 1,400,000 shares fair valued at \$525,000.

m) Bud-Elk Property, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southeastern, British Columbia. The properties consist of 6 mineral claims covering a total of 380.6 hectares. For consideration, the Company issued 388,888 shares fair valued at \$147,777.

n) Ymir Property, Southern British Columbia, Canada

In June 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southern, British Columbia. The properties consist of 11 mineral claims covering a total of 1,600 hectares. For consideration, the Company issued 600,000 shares fair valued at \$318,000.

NOTE 10 – LOAN PAYABLE

During the year ended June 30, 2020, the Company entered into an agreement with an arm's length individual for a loan of \$13,500. The loan is unsecured, non-interest bearing and has no terms of repayment.

NOTE 11 – FLOW-THROUGH SHARES PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability is as follows:

	2020	2019
	\$	\$
Opening Balance	-	-
Flow-Through Share Premium Liability obligation due to issuance of Flow-Through Shares	180,632	-
Settlement pursuant to incurring Qualified Expenditures	(71,407)	-
	<u>109,225</u>	<u>-</u>

During the year 2020, the Company raised flow-through funds totalling \$1,501,700 and has incurred \$891,082 in qualifying mineral explorations. As at June 30, 2020, the Company has unspent flow-through funds totalling \$610,618. Flow through share premium liability arises only when flow-through shares are issued at a premium over non-flow through shares.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 12 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited common shares without par value

b) Issued and Outstanding Share Capital

As at June 30, 2020, there were 60,627,397 (2019 – 38,018,700) common shares issued and outstanding.

(i) Shares Issued during the Year Ended June 30, 2019

Shares Issued for Cash

- In December 2018, the Company completed a non-brokered private placement of 1,800,001 units at a price of \$0.30 per unit for gross proceeds of \$540,000. One unit comprise one flow-through common share. The Company paid finder fees of \$28,000 and issued 93,333 Agents' warrants fair valued at \$15,601. The Agents' warrants may be exercised for a period of two years at a price of \$0.30 per share.
- In January 2019, the Company completed a non-brokered private placement of 1,000,000 units at a price of \$0.25 per unit for gross proceeds of \$250,000. One unit consists of one common share and one transferable common share purchase warrant. One warrant entitles the holder to purchase, for a period of 2 years from the date of issue, one additional common share at an exercise price of \$0.30 per share. The Company paid finder fees of \$800 and issued 3,200 Agents' warrants fair valued at \$535. The Agents' warrants may be exercised for a period of two years at a price of \$0.30 per share.
- In April 2019, the Company completed a non-brokered private placement of 675,000 flow through shares at a price of \$0.60 per share for gross proceeds of \$405,000. Each flow-through share consists of one common share that qualifies as a "flow-through share" as defined in subsection 66(15) of the Income Tax Act.

Shares Issued for Mineral Properties

- In December 2018, the Company issued 2,400,000 shares, fair valued at \$912,000, as per the amended agreement on the Brett Gold Project (Note 9(a)).
- In June 2018, the Company issued 212,888 common shares, fair valued at \$93,671, pursuant to the acquisition of the Caramerlia Property (Note 9(e)).
- In May 2019, the Company issued 3,528,769 common shares, at an average issue price of \$0.495 per share, for the acquisition of 78% of 099 BC and a promissory note payable to a former shareholder of 099 BC (Note 8). These 3,528,769 common shares are subject to a customary 4-month plus one day hold period running from the date on which they were issued.
- The Company issued 285,918 shares fair valued at \$142,959, pursuant to the Royalty Option Agreement entered into in April 2019 with Gungnir Resources Inc (Note 8).

(ii) Shares Issued during the Year Ended June 30, 2020

Shares Issued for Cash

- In December 2019, the Company completed a non-brokered private placement of 2,790,332 units at a price of \$0.30 per unit for gross proceeds of \$837,100. One unit consists of one common share and one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of 18 months, one additional common share at an exercise price of \$0.45 per share.
- In December 2019, the Company completed a non-brokered private placement of 2,312,053 flow-through shares at a price of \$0.39 per share for gross proceeds of \$901,701. Each flow-through share consists of one common share that qualifies as a 'flow-through share' as defined in subsection 66(15) of the Income Tax Act. The Company paid cash commission of \$52,500 and issued 134,616 Agents' warrants, fair valued at \$22,895. The Agents' warrants may be exercised for a period of two years at an exercise price of \$0.39 per share.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 12 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Share Capital (Continued)

(ii) Shares Issued during the Year Ended June 30, 2020 (Continued)

Shares Issued for Cash

- In October 2019, the Company closed four tranches of its draw-down equity financing facility with Alumina Partners (Ontario) Ltd. (“Alumina”). The Company drew down \$900,000 from Alumina by issuing a total of 2,248,335 units. One unit consists of one common share and an 18-month warrant. The units were issued at the following prices: 480,770 units at \$0.52 per unit (related warrants are exercisable at \$0.8125 per share); 446,428 units at \$0.56 per unit (related warrants are exercisable at \$0.875 per share); 487,804 units at \$0.3075 per unit (related warrants are exercisable at \$0.5125 per share); 833,333 units at \$0.30 per unit (related warrants are exercisable at \$0.45 per share).
- In February 2020, the Company closed four more tranches on its drawdown equity financing facility with Alumina. The Company drew down a total of \$600,000 from Alumina by issuing a total of 1,912,938 units. One unit consists of one common share and a 36-month warrant. The units were issued at the following prices: 500,000 units at \$0.30 per unit (related warrants are exercisable at \$0.45 per share); 470,588 units at \$0.319 per unit (related warrants are exercisable at \$0.5313 per share); 487,805 units at \$0.307 per unit (related warrants are exercisable at \$0.5125 per share); 454,545 units at \$0.33 per unit (related warrants are exercisable at \$0.45 per share).
- In March 2020, the Company completed a non-brokered private placement of 1,200,000 flow through shares at a price of \$0.50 per share for gross proceeds of \$600,000. Each Flow-Through share consists of one common share that qualifies as a “Flow-Through Share” as defined in subsection 66(15) of the Income Tax Act. The Company issued 84,000 Agents’ warrants, fair valued at \$15,792. The Agents’ warrants may be exercised for a period of two years at an exercise price of \$0.50 per share
- In June 2020, the Company completed a non-brokered private placement of 500,000 units at a price of \$0.50 per unit for gross proceeds of \$250,000. One unit consists of one common share and one transferable common share purchase warrant. One warrant entitles the holder to purchase, for a period of three years from the date of issue, one additional common share at an exercise price of \$0.7875 per share.
- In June 2020, the Company closed the first tranche a non-brokered private placement of 2,524,169 units at a price of \$0.45 per unit for gross proceeds of \$1,135,876. One unit consists of one common share and one transferable common share purchase warrant. One warrant entitles the holder to purchase, for a period of 2 years from the date of issue, one additional common share at an exercise price of \$0.75 per share. The Company paid cash commissions of \$9,544 and issued 21,210 Agents’ warrants fair valued at \$7,285. The Agents’ warrants may be exercised for a period of two years at a price of \$0.75 per share.
- In 2020, the Company issued 1,885,000 shares upon the exercise of share purchase warrants for total cash proceeds of \$398,750; 77,777 shares upon the exercise of Agent’ warrants for total cash proceeds of \$23,333; and 355,000 shares upon the exercise of stock options for total cash proceeds of \$88,500.

Shares Issued for Mineral Properties

- In 2020, as part of the acquisition of 099 BC (Note 8), the Company issued 256,666 common shares, fair valued at \$167,033 to acquire an additional 5,133,320 common shares (or 10%) of 099 BC.
- In 2020, the Company issued a total of 4,774,999 common shares, fair valued at \$1,820,527, to several companies and individuals to acquire mineral properties and claims in British Columbia (Note 9(i)(j)(k)(l)(m)(n)).

Shares Issued Upon Exercise of Restricted Stock Units

- During the year ended June 30, 2020, the Company issued a total of 1,000,000 (2019 - 250,000) common shares with a fair value of \$367,500 (2019 - \$102,500) to employees, consultants and directors of the Company, pursuant to the RSU plan.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 12 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Share Capital (Continued)

(ii) Shares Issued during the Year Ended June 30, 2020 (Continued)

Shares Issued for Debt

- In February 2020, the Company issued 771,428 shares, fair valued at \$277,714, pursuant to a share-for-debt agreement to settle outstanding debts of \$270,000. A loss of \$7,714 on debt settlement was recorded in the year.

c) Shares issued Under Restricted Stock Unit (“RSU”) Plan

In 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.

In 2020, the Company issued a total of 1,000,000 (2019 - 250,000) common shares fair valued at \$367,500 (2019 - \$102,500) 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.

For the year ended June 30, 2020, 2,220,000 options were outstanding with a weighted average exercise price of \$0.55 and an average remaining life of 3.21 years.

Expiry Date	Exercise Price	June 30, 2019	Granted	Exercised	Expired/ Cancelled	June 30, 2020
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	-	(150,000)	-	50,000
December 27, 2023	\$0.30	780,000	-	(205,000)	-	575,000
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	(355,000)	(340,000)	2,220,000

The continuity schedule of stock options for the year ended June 30, 2019 is as follows. For the year ended June 30, 2019, 1,815,000 options were outstanding with a weighted average exercise price of \$0.41 and an average remaining life of 3.06 years.

Expiry Date	Exercise Price	June 30, 2018	Granted	Exercised	Expired/ Cancelled	June 30, 2019
February 16, 2019	\$0.50	185,000	-	(100,000)	(85,000)	-
March 20, 2019	\$0.45	260,000	-	(240,000)	(20,000)	-
April 29, 2020	\$0.60	340,000	-	-	-	340,000
February 2, 2021	\$0.25	195,000	-	(40,000)	-	155,000
October 5, 2021	\$0.75	130,000	-	-	-	130,000
November 22, 2021	\$0.60	230,000	-	(20,000)	-	210,000
February 14, 2023	\$0.18	400,000	-	(200,000)	-	200,000
December 27, 2023	\$0.30	-	800,000	(20,000)	-	780,000
		1,740,000	800,000	(620,000)	(105,000)	1,815,000

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 12 – SHARE CAPITAL (Continued)

e) Share Purchase Warrants

The continuity schedule of share purchase warrants for the year ended June 30, 2020 is as follows. Total outstanding share purchase warrants as at June 30, 2020 is 16,308,314 with a weighted average exercise price of \$0.55.

Expiry Date	Exercise Price	June 30, 2019	Issued	Exercised	Expired/ Cancelled	June 30, 2020
August 27, 2019	\$0.18	350,000	-	(350,000)	-	-
September 10, 2019	\$0.18	900,000	-	(900,000)	-	-
April 20, 2020	\$0.25	230,000	-	-	(230,000)	-
January 03, 2021	\$0.30	877,000	-	(37,000)	-	840,000
January 11, 2021	\$0.8125	-	480,770	-	-	480,770
January 26, 2021	\$0.8750	-	446,428	-	-	446,428
February 01, 2021	\$0.30	123,000	-	(123,000)	-	-
March 18, 2021	\$0.5125	-	487,804	-	-	487,804
April 04, 2021	\$0.45	-	833,333	-	-	833,333
April 08, 2021	\$0.45	-	833,500	-	-	833,500
April 21, 2021	\$0.45	-	888,334	(35,000)	-	853,334
May 25, 2021	\$0.45	-	350,000	-	-	350,000
June 17, 2021	\$0.45	-	250,000	-	-	250,000
July 07, 2021	\$0.45	-	468,498	-	-	468,498
July 27, 2021	\$0.45	-	500,000	-	-	500,000
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
May 05, 2022	\$0.45	-	1,000,000	-	-	1,000,000
December 13, 2022	\$0.250	562,000	-	(440,000)	-	122,000
February 05, 2023	\$0.5313	-	470,588	-	-	470,588
February 25, 2023	\$0.5125	-	487,805	-	-	487,805
March 06, 2023	\$0.55	-	454,545	-	-	454,545
March 12, 2025 (Note 9(k))	\$0.45/\$0.55	-	1,275,000	-	-	1,275,000
June 3, 2020	\$0.7875	-	500,000	-	-	500,000
June 25, 2020	\$0.75	-	2,524,169	-	-	2,524,169
		6,172,540	12,250,774	(1,885,000)	(230,000)	16,308,314

Total outstanding share purchase warrants as at June 30, 2019 is 6,172,540 with a weighted average exercise price of \$0.45.

Expiry Date	Exercise Price	June 30, 2018	Issued	Exercised	Expired/ Cancelled	June 30, 2019
January 4, 2019	\$0.25	3,478,126	-	(683,337)	(2,794,789)	-
August 27, 2019	\$0.18	2,160,000	-	(1,810,000)	-	350,000
September 10, 2019	\$0.18	1,340,000	-	(440,000)	-	900,000
April 20, 2020	\$0.25	230,000	-	-	-	230,000
January 03, 2021	\$0.30	-	877,000	-	-	877,000
February 1, 2021	\$0.30	-	123,000	-	-	123,000
August 15, 2021	\$0.50	852,000	-	(390,000)	-	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	1,087,000	-	(682,500)	-	404,500
April 20, 2022	\$0.375	200,000	-	-	-	200,000
December 13, 2022	\$0.25	562,000	-	-	-	562,000
		11,973,166	1,000,000	(4,005,837)	(2,794,789)	6,172,540

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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NOTE 12 – SHARE CAPITAL (Continued)

f) Agents' Warrants

Total outstanding Agents' warrants as at June 30, 2020 is 281,582 with a weighted average exercise price of \$0.44.

Expiry Date	Exercise Price	June 30, 2019	Issued	Exercised	Expired/ Cancelled	June 30, 2020
December 11, 2020	\$0.300	93,333	-	(77,777)	-	15,556
January 04, 2021	\$0.300	3,200	-	-	-	3,200
October 24, 2021	\$0.390	-	89,744	-	-	89,744
December 12, 2021	\$0.390	-	44,872	-	-	44,872
March 09, 2022	\$0.500	-	84,000	-	-	84,000
April 13, 2022	\$0.375	23,000	-	-	-	23,000
June 25, 2022	\$0.750	-	21,210	-	-	21,210
		119,533	239,826	(77,777)	-	281,582

Total outstanding Agents' warrants as at June 30, 2019 is 119,533 with a weighted average exercise price of \$0.31.

Expiry Date	Exercise Price	June 30, 2018	Issued	Exercised	Expired/ Cancelled	June 30, 2019
August 27, 2019	\$0.18	102,100	-	(102,100)	-	-
December 11, 2020	\$0.30	-	93,333	-	-	93,333
January 4, 2021	\$0.30	-	3,200	-	-	3,200
April 13, 2022	\$0.375	23,000	-	-	-	23,000
		125,100	96,533	(102,100)	-	119,533

g) 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 year ended June 30, 2020, the Company granted 1,100,000 (2019 – 800,000) stock options, and 239,826 agents' warrants (2019 - 96,533). Stock-based compensation using the Black-Scholes option pricing model was \$638,909 (2019 – \$206,249), and \$45,972 (2019 – \$16,136), respectively, for stock options, agents' warrants, and warrants issued in settlement of interest payable.

The following assumptions were used for the Black-Scholes valuation of stock options granted:

	2020	2019
Risk-free interest rate	1.52% - 1.57%	1.93%
Expected life of stock options	5 years	5 years
Annualized volatility	110.04% - 110.09%	236.38%
Dividend rate	0.00%	0.00%

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

Risk-free interest rate	0.26 – 1.7%	1.84 - 2.01%
Expected life of agents' warrants	2 years	2 years
Annualized volatility	98.37 – 108.97%	104 - 111.7%
Dividend rate	0.00%	0.00%

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 13 – 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.

	2020	2019
	\$	\$
Management Fees	287,000	295,000
Office Administration and Support Fees	234,100	139,317
Stock-Based Compensation	469,827	192,734
	<u>990,927</u>	<u>627,051</u>

- c) During the year ended June 30, 2020, the Company incurred \$521,100 (2019 – \$434,317) 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 June 30, 2020, \$8,314 was payable.
- d) During the year ended June 30, 2020, the Company incurred stock-based compensation of \$469,827 (2019 – \$192,734) to directors and officers of the Company for the granting of stock options and RSUs.
- e) During the year ended June 30, 2020, a director and an officer received advance payments for a total of \$50,000 for anticipated operating expenses. Subsequent to year end, the payments were returned.
- f) During the year ended June 30, 2020, a director and an officer participated in a private placement offering totalling \$270,000. A share subscription receivable was created for this transaction, however subsequent to year end, July 2, 2020, the receivable amount was paid in full.

NOTE 14 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Significant Non-Cash Financing Activities

	2020	2019
	\$	\$
Shares Issued for Exploration and Evaluation Expenditures	1,820,527	2,264,246
Shares Issued for Settlement of Debts	277,714	-
	<u>2,098,241</u>	<u>2,264,246</u>

b) Other Item

Interest Paid	-	-
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NOTE 15 – 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.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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NOTE 15 – COMMITMENT (Continued)

- b) In July 2019, 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 8), the cash payable due dates are as follows:
- (i) \$522,500 due to the former shareholders of 099 BC – on or before May 30, 2020;
 - a. A payment of \$245,000 was made during the year ended June 30, 2020.
 - (ii) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2020;
 - (iii) \$122,500 due to the former shareholders of 099 BC – on or before May 30, 2021;
 - (iv) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2021;
 - (v) \$122,500 due to the former shareholders of 099 BC – on or before May 30, 2022; and
 - (vi) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2022.

During the year ended June 30, 2020, the Company entered into an agreement with the former shareholder of 099 BC for a loan of \$300,000. The loan is unsecured, non-interest bearing and has no terms of repayment.

NOTE 16 – INCOME TAXES

a) Provision for Income Taxes

The income tax recovery of the Company is reconciled to the net loss for the year as reported in the statements of comprehensive loss by applying the combined federal and provincial income tax rate of 27.0% (2019 – 27.0%) as follows:

	2020 \$	2019 \$
Loss Before Income Tax	(7,301,626)	(5,601,091)
Expected Income Tax Recovery	(1,971,000)	(1,512,000)
Non-Deductible Expenditures	697,000	1,029,000
Change in Unrecognized Deductible Temporary Difference	1,049,000	644,000
Change in opening tax balances	253,000	(179,000)
Other	(28,000)	18,000
Income Tax Expense	-	-

b) Deferred Tax Assets and Liabilities

As at June 30, 2019 and 2018, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable income is probable. The Company has recorded a full valuation allowance against its deferred tax assets because of uncertainty as to the realization of these assets. The Company's deferred tax assets not recognized consist of the following amounts:

Property and Equipment	49,000	(182,000)
Exploration and Evaluation Expenditures	3,478,000	2,062,000
Non-Capital Losses	3,513,000	3,026,000
Capital Losses	16,000	21,000
Flow-through Share Premium Liability	(29,000)	-
Marketable Securities	-	(12,000)
Share Issue Costs	55,000	14,000
Net Deferred Tax Assets Not Recognized	7,081,000	4,929,000

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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NOTE 16 – INCOME TAXES (Continued)

b) Deferred Tax Assets and Liabilities (Continued)

As at June 30, 2020, the Company has exploration and development expenditures of \$12,882,000, non-capital losses of approximately \$13,012,000 and share issuance costs of approximately \$204,000 that may be applied against future income for Canadian income tax purposes. Share issuance costs expire through to 2024. The non-capital losses expire as follows:

	\$
2027	96,000
2028	481,000
2029	538,000
2030	478,000
2031	691,000
2032	763,000
2033	395,000
2034	2,081,000
2035	1,740,000
2036 to 2040	5,749,000
	<u>13,012,000</u>

NOTE 17 – 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 8).

	2020 \$	2019 \$
CURRENT:		
Assets	<u>89,778</u>	<u>14,196</u>
CURRENT NET ASSETS	<u>89,778</u>	<u>14,196</u>
NON-CURRENT		
Assets	945,545	922,656
Liabilities	<u>(4,009,114)</u>	<u>(3,887,220)</u>
NON-CURRENT NET LIABILITIES	<u>(3,063,569)</u>	<u>(2,964,564)</u>
NET LIABILITIES	<u>(2,973,791)</u>	<u>(2,950,368)</u>

In July 2019 and June 2020, the Company acquired an additional 10% ownership bringing total ownership to 88%. As at June 30, 2020, the non-controlling interest consists of 12% ownership of 0995237 BC.

The following is the summarized comprehensive loss of 099 BC for the period since acquisition to June 30, 2020 and 2019:

	Year Ended June 30, 2020 \$	May 30 to June 30, 2019 \$
Expenses	<u>23,423</u>	<u>111,981</u>
Net Loss for the Period	<u>23,423</u>	<u>111,981</u>

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTE 18 – 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 June 30, 2020, was \$30,445,419 (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 year ended June 30, 2020.

NOTE 19 – 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 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 June 30, 2020, the Company had a cash balance of \$718,573 to settle current liabilities of \$1,175,524. 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.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

NOTE 20 – SUBSEQUENT EVENTS

- a) In July 2020, the Company acquired as part of the acquisition of 099 BC (Note 8), an additional 66,667 shares of 099 BC by issuing 3,334 common shares, fair valued at \$1,500 to a shareholder of 099 BC. The Company currently holds 88% of all outstanding shares of 099 BC.
- b) In July 2020, the Company acquired 3% net smelter royalties covering properties located in the Greenwood mining camp in Southern British Columbia and a royalty on material processed in the Boundary Falls mill. Terms of the agreement include the issuance of 1,000,000 shares (issued). The transaction is subject to TSX and regulatory approval and the vendor has entered into a voting trust agreement whereby the share will be voted in favour of management.
- c) In July 2020, the Company entered into an option agreement with an arm's length company to acquire 100% of its mineral properties located in southern British Columbia (Venus and Juno Gold Mines). The properties consist of 5 mineral claims covering a total of 231 hectares. As consideration, the Company has agreed to pay \$100,000 in cash and issue 200,000 shares over four years. Subject to a 1% NSR which can be purchased back for \$500,000. The agreement is subject to TSX and regulatory approval.
- d) In July and August 2020, the Company completed two non-brokered private placement of 1,920,276 units at a price of \$0.45 per unit for gross proceeds of \$864,124 and 1,667,532 units at a price of \$0.60 for gross proceeds of \$1,000,519. For both offerings, one unit consists of one common share and one transferable common share purchase warrant. One warrant entitles the holder to purchase, for a period of 2 years from the date of issue, one additional common share at an exercise price of \$0.75 per share.
- e) In July 2020, the Company closed a draw-down equity financing facility with Alumina. The Company drew down \$236,363 from Alumina by issuing 454,545 units consisting of one common share priced at \$0.52 per share and two year warrants exercisable at \$0.8125 per share.
- f) In September 2020, the Company granted 2,000,000 stock options at an exercise price of \$0.50 to its directors, officers, and consultants. The options are exercisable for a five-year period.

NOTE 21 – CORONAVIRUS (COVID-19) PANDEMIC

The outbreak of the COVID-19 virus and the worldwide pandemic has impacted the Company's plans and activities. The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected and are difficult to quantify. Regional disease outbreaks and pandemics represent a serious threat to hiring and maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and pandemics and ultimately that the Company would see its workforce productivity reduced or incur increased medical costs and insurance premiums as a result of these health risks.

In addition, the pandemic has created a dramatic slowdown in the global economy. The duration of the outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity thereby severely limiting access to essential capital.