



CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's external auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.



CURRIE ROSE RESOURCES INC.
 (An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30, 2020 AND DECEMBER 31, 2019
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	September 30 2020	December 31 2019
ASSETS		
Current:		
Cash	\$ 21,146	\$ 5,620
Accounts receivable (Note 6)	40,887	43,519
Prepaid expenses	7,203	3,839
Marketable securities (Note 7)	401,500	880,000
	470,736	932,978
Long term:		
Resource properties (Note 8)	1,032,747	925,843
	\$ 1,503,483	\$ 1,858,821
LIABILITIES		
Current:		
Accounts payable and accrued liabilities (Note 9)	\$ 354,636	\$ 344,998
Loan payable - related party (Note 10)	-	48,291
	354,636	393,289
SHAREHOLDERS' EQUITY		
Common shares (Note 11)	16,358,373	16,358,373
Contributed surplus	1,391,530	1,391,530
Warrants	8,000	8,000
Share based compensation	236,826	236,826
Accumulated deficit	(16,870,508)	(16,553,823)
Accumulated comprehensive income	24,626	24,626
	1,148,847	1,465,532
	\$ 1,503,483	\$ 1,858,821
Going concern (Note 2(d))		
Commitments (Note 13)		

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

Approved on behalf of the Board:

"Michael Griffiths" Director

"Stephen Coates" Director

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
NET LOSS AND COMPREHENSIVE LOSS**
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	Three months ended September 30 2020	Nine months ended September 30 2020	Three months ended September 30 2019	Nine months ended September 30 2019
Expenses				
Management fees	\$ 48,000	\$ 144,584	\$ 48,000	\$ 144,000
Listing fees and shareholder information	8,859	22,621	4,529	22,481
Professional fees	23,111	36,118	6,312	23,475
Travel and promotion	-	8,670	1,000	22,294
Office and general	1,658	2,766	1,545	13,386
Consulting fees	-	-	-	19,000
Share based compensation	-	-	-	58,015
	<u>81,628</u>	<u>214,759</u>	<u>61,386</u>	<u>302,651</u>
Loss from operations before undernoted items	(81,628)	(214,759)	(61,386)	(302,651)
Gain on sale of Scadding property (Note 8(4))	-	-	377,590	377,590
Realized gain (loss) on sale of marketable securities (Note 7)	(3,030)	(89,808)	-	-
Increase in fair value of marketable securities (Note 7)	(24,000)	(12,118)	(32,000)	(32,000)
	<u>(108,658)</u>	<u>(316,685)</u>	<u>284,204</u>	<u>42,939</u>
Net loss and comprehensive loss	\$ (108,658)	\$ (316,685)	\$ 284,204	\$ 42,939
Basic loss per share (Note 11(e))	\$ (0.003)	\$ (0.008)	\$ 0.007	\$ 0.001
Diluted	\$ (0.003)	\$ (0.008)	\$ 0.005	\$ 0.001

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

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
PERIOD FROM JANUARY 1, 2019 TO SEPTEMBER 30, 2020
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	Note	Common shares Number	Common shares Amount	Contributed surplus	Warrants	Share based compensation	Accumulated deficit	Accumulated other comprehensive income	Total
As at January 1, 2019		38,431,004	\$ 16,181,373	\$ 1,354,528	\$ 37,002	\$ 125,511	\$ (16,482,856)	\$ 24,626	\$ 1,240,184
Net loss and comprehensive loss for period		-	-	-	-	-	42,939	-	42,939
Share based compensation		-	-	-	-	58,015	-	-	58,015
Shares issuance re Rossland Project	11(a)	<u>3,000,000</u>	<u>165,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,000</u>
As at September 30, 2019		41,431,004	16,346,373	1,354,528	37,002	183,526	(16,439,917)	24,626	1,506,138
Net income and comprehensive income for period		-	-	-	-	-	(113,906)	-	(113,906)
Proceeds on private placement	11(b)	400,000	12,000	-	8,000	-	-	-	20,000
Expiry of warrants	11(d)	-	-	37,002	(37,002)	-	-	-	-
Share based compensation		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,300</u>	<u>-</u>	<u>-</u>	<u>53,300</u>
As at December 31, 2019		41,831,004	16,358,373	1,391,530	8,000	236,826	(16,553,823)	24,626	1,465,532
Net loss and comprehensive loss for period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(316,685)</u>	<u>-</u>	<u>(316,685)</u>
As at September 30, 2020		<u>41,831,004</u>	<u>\$ 16,358,373</u>	<u>\$ 1,391,530</u>	<u>\$ 8,000</u>	<u>\$ 236,826</u>	<u>\$ (16,870,508)</u>	<u>\$ 24,626</u>	<u>\$ 1,148,847</u>

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

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

	2020	2019
Operating activities		
Net loss for period	\$ (316,685)	\$ 42,939
Add (deduct) items not affecting cash		
Realized loss on sale of marketable securities	89,808	-
Gain on sale of Scadding property	-	(377,590)
Share based compensation	-	58,015
Decrease in fair value of marketable securities	12,118	32,000
	(214,759)	(244,636)
Change in non-cash working capital items		
Accounts receivable	2,632	(8,889)
Prepaid expenses	(3,364)	11,245
Accounts payable and accrued liabilities	51,155	136,552
	(164,336)	(105,728)
Investing activities		
Resource property expenditures	(106,904)	(77,980)
Proceeds on sale of Scadding property, net of legal fees	-	45,768
Proceeds on sale of marketable securities	335,057	-
	228,153	(32,212)
Financing activities		
Loan payable - related party	(48,291)	20,291
Change in cash	15,526	(117,649)
Cash, beginning of period	5,620	193,446
Cash, end of period	\$ 21,146	\$ 75,797
Non-cash transactions:		
Common shares issued re Rossland Project acquisition (Note 11(c))	\$ -	\$ 165,000
Marketable securities received on sale of Scadding property (Note 7)	-	912,000
Accounts payable settled in shares	41,157	-
	\$ 41,157	\$ 1,077,000

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

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS

Currie Rose Resources Inc. ("Currie Rose" or the "Company") was incorporated under the Canada Business Corporations Act on August 24, 1973. It is a public company that trades on the TSX Venture Exchange under the symbol "CUI.V". Currie Rose is a precious metal explorer focused on identifying high value assets in Canada and delivering responsible exploration outcomes that meet shareholder expectations and provide community opportunities with the current focus on the Rossland Gold Project in British Columbia (*see note 8(2)*). The head office and principal address of the Company is located at 401 Bay Street, Suite 2100, Toronto, Ontario, Canada, M5H 2Y4.

2. BASIS OF PRESENTATION AND GOING CONCERN

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The same accounting policies, methods of computation and note disclosures are followed in these unaudited interim condensed consolidated financial statements as compared to the Company's annual consolidated financial statements for the years ended December 31, 2019 and 2018. In particular, the Company's significant accounting policies are presented as Note 3 in those audited consolidated financial statements have been consistently applied in the preparation of these unaudited interim condensed consolidated financial statements.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on November 30, 2020.

(b) Basis of presentation

Unless otherwise stated, the unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency as the Company is based in Canada and obtains the majority of its financing through Canadian dollar private placements. The Canadian dollar is also the Company's functional currency for Canadian exploration activities and its corporate head office in Canada.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

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2 BASIS OF PRESENTATION AND GOING CONCERN, CONTINUED

(c) Risk and uncertainty as a result of the global COVID-19 pandemic

Consistent with other businesses globally, the Company's operations have been adversely affected by the effects of the widespread global outbreak of COVID-19. At the same time, Currie's corporate office has closed and executives are working remotely until further notice. As the Company's exploration is focused in British Columbia, Currie is adhering to the new Health and Safety Guidelines set by the BC provincial government, which includes revised work protocols to limit the spread of COVID-19. The exploration program for 2020 will include ground based geophysical surveys that require very limited personnel and limited drilling. As our personnel are accommodated locally and not in a camp situation, the return-to-work protocols and a safe working environment will need to accommodate appropriate controls to ensure the safety of our personnel and their families. While the Company continues to advance its exploration activity, the timelines for future studies and exploration could be impacted, depending on both the continued duration and severity of the COVID-19 pandemic.

Beyond the potential impact to various schedules, the economic impact of COVID-19 could affect the Company's ability to access capital markets and secure sufficient financing to move the project forward on previously planned timelines. As of the filing date of these unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2020, there were no identified indicators of impairment as a result of COVID-19 and, consequently, no adjustments have been made to these unaudited interim condensed consolidated financial statements.

(d) Going concern

The accompanying unaudited interim condensed consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that 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 and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited interim condensed consolidated financial statements. Such adjustments could be material.

As at September 30, 2020, the Company had no source of operating cash flow and had an accumulated deficit of \$16,870,508 (December 31, 2019 - \$16,553,823). Working capital as at September 30, 2020 was \$116,100 compared to \$539,689 as at December 31, 2019. Net comprehensive loss for the nine months ended September 30, 2020 was \$316,685 (nine months ended September 30, 2019 - net comprehensive income of \$42,939). Operations since inception have been funded from the (i) issuance of share capital, (ii) sale of marketable securities, and (iii) sale of resource property interests (*see note 8(1)(a)*).



CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

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(Unaudited - Prepared by Management)

2. BASIS OF PRESENTATION AND GOING CONCERN, CONTINUED

The Company anticipates it will have sufficient working capital on hand to service its liabilities and fund exploration activity and public company operating costs for the next twelve months. In order to continue active operations, the Company will need to (i) arrange further financing that will largely depend upon prevailing capital market conditions, and (ii) the continued support of its shareholder base. There is uncertainty that the Company will be able to obtain additional financing for the long-term future, given the current market environment for junior exploration stage companies. The unknown economic impact, continued duration and severity of the COVID-19 pandemic that has developed since March, 2020 will most likely affect the Company's ability to access capital markets and secure sufficient financing for future exploration. These factors create material uncertainties that cast significant doubt as to the propriety of the use of the going concern assumption upon which these unaudited interim condensed consolidated financial statements have been prepared.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in these unaudited interim condensed consolidated financial statements are consistent with those disclosed in Note 3 of the Company's annual consolidated financial statements for the year ended December 31, 2019, including those below:

Investments

Purchases and sales of investments are recognized on a trade date basis. Publicly-traded investments are initially recognized at fair value, with changes in fair value reported in profit or loss. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in profit or loss. The determination of fair value requires judgment and is based on market information where available and appropriate. Transaction costs are expensed as incurred in profit or loss.

Publicly-traded investments:

Securities, including shares, options, and warrants that are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the reporting date or the closing price on the last day the security traded if there were no trades at the reporting date. These are included in Level 1.

Securities that are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

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3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

4. RECENTLY ADOPTED ACCOUNTING STANDARDS

- (a) **IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"**: These standards have been amended to use a consistent definition of materiality throughout all accounting standards, clarify the explanation of the definition of material and incorporate some of the guidance in IAS 1 about immaterial information. The amendments are effective for annual periods beginning on or after January 1, 2020. The adoption of these amendments did not have a significant impact on the consolidated financial statements.
- (b) **IFRS 3 "Business Combinations"**: This standard has been amended to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments are effective for annual periods beginning on or after January 1, 2020. The adoption of these amendments did not have a significant impact on the consolidated financial statements.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

5. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As at the date of authorization of these unaudited interim condensed consolidated financial statements, the IASB has issued the following new or revised standards as detailed below.

- (a) **IFRS 16 "Leases"**: This standard has been amended to provide lessees with an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. This amendment is effective for annual periods beginning on or after June 1, 2020. At this time, the Company has not received rent concessions related to COVID-19 and therefore, this amendment is not expected to have a significant impact on the consolidated financial statements.
- (b) **IAS 16 "Property, Plant and Equipment"**: This standard has been amended to prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use, clarify that an entity is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset and require certain related disclosures. The amendments are effective for annual periods beginning on or after January 1, 2022. The Company has not yet assessed the impact of the amendments on the consolidated financial statements.
- (c) **IAS 1 "Presentation of Financial Statements", and IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors"**: This standard has been amended to clarify the classification of liabilities as current or non-current. The amendments are effective for annual periods beginning on or after January 1, 2022. The Company has not yet assessed the impact of the amendments on the consolidated financial statements.
- (d) **IAS 37 "Provisions"**: This standard has been amended to clarify that, before a separate provision for an onerous contract is established, an entity recognizes an impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract and to clarify the meaning of costs to fulfil a contract. The amendments are effective for annual periods beginning on or after January 1, 2022. The Company has not yet assessed the impact of the amendments on the consolidated financial statements.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

6. ACCOUNTS RECEIVABLE

	September 30 2020	December 31 2019
Share subscription receivable	\$ 25,000	\$ 25,000
Refundable HST ITC's	15,887	18,519
	<u>\$ 40,887</u>	<u>\$ 43,519</u>

The share subscription receivable as at September 30, 2020 and December 31, 2019 is part of the private placement that closed in August, 2018, is due from a related party (*see note 12(b)*), and was paid in full in November, 2020.

7. MARKETABLE SECURITIES

	September 30 2020		December 31 2019	
	Shares	\$	Shares	\$
MacDonald Mines Exploration Ltd.	<u>3,650,000</u>	<u>\$ 401,500</u>	<u>8,000,000</u>	<u>\$ 880,000</u>

As part of the sale of its interest in the Scadding property (*see note 8(4)*), the Company received 8,000,000 shares of MacDonald Mines Exploration Ltd. Based on the trading price as of the closing date of the sale of September 24, 2019, the investment was recognized at an initial value of \$912,000. The Company recognized a decline in market value of \$32,000 as at December 31, 2019.

During the nine months ended September 30, 2020, the Company sold 4,350,000 shares for gross proceeds of \$335,057, realizing a loss on disposal of \$89,808. A decrease in fair value of \$12,118 has been recognized during the nine months ended September 30, 2020 through FVTPL, such that the remaining 3,650,000 shares are being carried at their market value of \$401,500.

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

8. **RESOURCE PROPERTIES**

	<u>Opening</u>	<u>Acquisition costs</u>	<u>Geological and technical</u>	<u>Professional fees</u>	<u>Travel and admin costs</u>	<u>Value attributed to net smelter royalty</u>	<u>Sale of interest</u>	<u>Closing</u>
<u>Year ended December 31, 2019</u>								
Scadding, Canada	\$ 577,646	\$ -	\$ -	\$ 2,531	\$ -	\$ -	\$ (580,177)	\$ -
Rossland, Canada	539,803	319,000	15,543	6,512	44,983	-	-	925,841
Jubilee Reef, Tanzania	1	-	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	-	1
	<u>\$ 1,117,451</u>	<u>\$ 319,000</u>	<u>\$ 15,543</u>	<u>\$ 9,043</u>	<u>\$ 44,983</u>	<u>\$ -</u>	<u>\$ (580,177)</u>	<u>\$ 925,843</u>
<u>Three months ended September 30, 2020</u>								
Rossland, Canada	\$ 925,841	\$ 62,500	\$ 14,302	\$ 1,500	\$ 28,602	\$ -	\$ -	\$ 1,032,745
Jubilee Reef, Tanzania	1	-	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	-	1
	<u>\$ 925,843</u>	<u>\$ 62,500</u>	<u>\$ 14,302</u>	<u>\$ 1,500</u>	<u>\$ 28,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,032,747</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

8. RESOURCE PROPERTIES, CONTINUED

(1) Carrying values

The carrying values of the Company's resources properties, namely the Rossland Project in British Columbia, at September 30, 2020 were \$1,032,747 (December 31, 2019 - \$925,843). Management's review of these carrying values indicated that, at as September 30, 2020, the properties were not impaired. Included in these balances are nominal carrying values with respect to a 2% NSR on any future production from each of its prior Jubilee Reef and Mabale Hills projects in Tanzania.

(2) Rossland Project - Accelerate transaction

(a) **Due diligence exploration program and potential earn-in agreement on Rossland Gold Project**

On August 31, 2020, the Company announced that it has entered into a binding term sheet with Accelerate Resources Ltd ("Accelerate") (ASX: AX8) with respect to its Rossland Gold Project ("Rossland" or the "Project").

(b) **Accelerate transaction highlights**

- (i) Accelerate will make available CAD \$500,000 to Currie Rose to fund a due diligence exploration program on the Project (the "Due Diligence Program"), with Currie Rose managing the program at the direction of Accelerate.
- (ii) On completion of the Due Diligence Program, Accelerate can elect to acquire 51% of the Project by issuing 12,500,000 ordinary shares in Accelerate to Currie Rose and making a CAD \$200,000 cash payment. (As of August 28, 2020, Accelerate shares trade at AUD \$0.056 (CAD \$0.054) per share.
- (iii) Accelerate can earn the remaining 49% of the Project by spending CAD \$1,000,000 within 14 months of Accelerate acquiring the initial 51% of the Project. The Company retains meaningful exposure to the potential upside of Rossland through its equity exposure in Accelerate, and a milestone payment of 15,000,000 performance rights on commercial production (which will be issued to Currie Rose subject to Accelerate acquiring 100% of the Project).

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

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8. RESOURCE PROPERTIES, CONTINUED

(c) Accelerate transaction details

Currie Rose has concluded a binding term sheet with Accelerate pursuant to which the parties have agreed to complete the due diligence program and, subject to certain conditions, to enter into a definitive earn-in agreement allowing Accelerate to acquire up to 100% of Rossland from Currie Rose. Accelerate is entirely arm's length to Currie Rose.

The key terms of the agreement are as follows:

- (i) Subject to certain conditions being satisfied or waived, Accelerate will loan Currie Rose CA \$500,000 to be spent over 8 months (the "Due Diligence Period") to fund a targeted due diligence exploration program acceptable to Accelerate. Currie Rose expects to immediately draw down the funds to advance the Rossland Project.
- (ii) At completion of the Due Diligence Period, Accelerate has the right to proceed with an earn-in agreement. Should Accelerate decide not to proceed with an earn-in agreement, Currie Rose must repay the loan through the issuance of common shares at an agreed-upon price of CAD \$0.06 per share. This share issuance would not result in a change of control of Currie Rose.
- (iii) If the parties enter into an earn-in agreement, Accelerate will acquire a 51% interest in the Project (the "Stage 1 Earn In") by:
 - ◆ Issuing 12.5 million Accelerate ordinary shares to Currie Rose; and
 - ◆ Paying CAD \$200,000 in cash to Currie Rose.
- (iv) If Accelerate completes the Stage 1 Earn-In, it can earn the remaining 49% by:
 - ◆ Incurring exploration expenditures of an additional \$1,000,000 within 14 months of completing the Stage 1 Earn In;
 - ◆ Issuing 25 million Accelerate ordinary shares to Currie Rose;
 - ◆ Paying CAD \$250,000 in cash to Currie Rose; and
 - ◆ Issuing to Currie Rose 15,000,000 performance rights which shall convert into fully paid ordinary shares in the capital of Accelerate upon achieving a 500,000 oz (JORC) @ minimum grade of 7 g/t gold (JORC) or on achieving 'Commercial Production'

(d) Subsequent project management

Upon acquiring a 51% interest in the Project, Accelerate will become Project Manager and Mr. Michael Griffiths (President and CEO of Currie Rose) will join the board of Accelerate as Technical Director.

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8. RESOURCE PROPERTIES, CONTINUED

(e) Required approvals

The earn-in agreement described above remains subject to approval of the TSX Venture Exchange and the shareholders of Currie Rose, as well as approval of the ASX and shareholders of Accelerate, among other conditions. In addition, the issuance of common shares of Currie Rose to repay the loan from Accelerate remains subject to approval of the TSX Venture Exchange.

(3) Rossland Project - acquisition history

(a) On April 13, 2018, the Company announced it had secured two option agreements over the Rossland Project (the "Rossland Project"), which together cover approximately 2,000 hectares of the Rossland mining camp that produced more than 2.7 million ounces of gold, 3.5 million ounces of silver and 71 tonnes of copper between 1894 and 1941 and ranks as the third largest lode gold camp in British Columbia.

(b) Under the terms of the agreements, which were approved by the TSX Venture Exchange on May 16, 2018, Currie Rose has the right to acquire 100% of the Rossland Project from two private companies ("option holders") via a 3-stage, 4-year option, as follows:

(c) (i) **Stage 1: 1-12 months**

Upfront payment of \$50,000 and issuance of 1,000,000 Currie Rose shares to each of the option holders (*see note 11(a)*);
Minimum expenditure of \$500,000 on each option agreement;
Investment by Currie Rose beyond the first year will be contingent on positive results;
Providing written notice to the Optionor, no later than 1 month prior to the first anniversary, of its intention to proceed to Stage 2.

(ii) **Stage 2: 13-24 months**

Upon proceeding to Stage 2, payment of \$75,000 and issuance of 1,500,000 Currie Rose shares to each of the option holders on the 1st anniversary.
Payment of further \$75,000 and issuance of 1,500,000 Currie Rose shares to each of the option holders on the 2nd anniversary.
Minimum expenditure of \$750,000 on each option agreement.

(iii) **Stage 3: 25-48 months**

Funding and completing a feasibility study - one study to apply to both option holders;
Payment of \$100,000 and issuance 2,000,000 Currie Rose shares on the 3rd anniversary (to each of the option holders);
Payment of \$100,000 and issuance of 2,000,000 Currie Rose shares on the 4th anniversary (to each of the option holders).

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

8. RESOURCE PROPERTIES, CONTINUED

(3) Rossland Project - acquisition history, continued

- (d) On completion of the feasibility study or the payment obligations, the Company will own 100% of the project and will grant separately, to each option holder, a 2% NSR with Currie Rose having an option to purchase from each option holder one-half (1%) of the NSR for payment of \$1,000,000.
- (e) On May 17, 2018, the Company received approval from the TSX Venture Exchange of the Rossland Project acquisition and the issuance of the 1,000,000 common shares to each of the two option holders, or collectively 2,000,000 common shares (*see note 11(a)*). The Exchange has accepted all filing documentation including a National Instrument 43-101 Technical Report (the "Technical Report") on the Rossland Project relating to the Company's first option agreement for the acquisition of 100% of the GNB property and second option agreement for the acquisition of 100% of the COE property. The GNB property and the COE properties together comprise the Rossland Project.
- (f) On June 13, 2018, the Company entered into a Purchase and Sale Agreement (the "Agreement") to acquire a 100% interest in the "Golden 8 Claim" which adjoins the south western boundary of the recently optioned Rossland Project. The Golden 8 Claim covers 296.5 hectares of the highly prospective Rossland "South Belt" and increases the coverage of Company's Rossland Project (part of the Rossland Mining Camp) to approximately 2,230 hectares.

Under the terms of the Agreement, Currie Rose exercised its right to acquire 100% of the Golden 8 Claim from a private vendor via cash payments made as follows: (i) \$16,000 on execution of the Agreement, and (ii) \$16,000 made in September, 2018.

The vendor retains a 2% NSR, while the Company has a right of repurchase of one half of the NSR (1%) by paying the vendor \$1 million.

- (g) Under the terms of the Option Amending Agreement dated February 27, 2019, the Company and the option holders agreed to extend the expenditure periods of both option agreements that make up the Rossland Project (*see note 8(2)*) by 3 months to July 12, 2019 to enable drilling and other exploration work to be completed.

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(Stated in \$CAD)

(Unaudited - Prepared by Management)

8. RESOURCE PROPERTIES, CONTINUED

(3) Rossland Project - acquisition history, continued

(h) Under the terms of the Second Amending Agreement To The Option Agreement dated April 11, 2019, the following transactions occurred in satisfaction of the Company's obligations arising on the first anniversary of the Rossland Project, namely:

- ◆ \$10,000 of the \$75,000 anniversary payment was paid for each of the two options (\$20,000 in total)
- ◆ The parties agreed to pay the remaining \$65,000 for each of the two options either on closing of a financing or with 6 months (whichever comes first) (*see note 8(2)(j)*)
- ◆ 1,500,000 shares were issued for each of the two options, or 3,000,000 shares in total (*see note 11(c)*)

(i) On August 21, 2019, the parties agreed to the Third Amending Agreement To The Option Agreement to amend the original terms of the option agreements for the Rossland project to reflect current market conditions. Under the revised terms, the Company and the option holders agreed to reduce the exploration expenditure requirements for Stage 2 and further agreed to remove the issue of all remaining Currie Rose shares (8 million shares) in exchange for increased cash payments as set out below:

Stage 2 - April 2019 - April 2020

- ◆ Minimum expenditure of \$500,000 (previously \$750,000) for each company; payment of \$125,000 on the 2nd anniversary (per company);

Stage 3 - April 2020-April 2022

- ◆ Funding and completing a feasibility study - one study to apply to both companies, payment of \$150,000 on the 3rd anniversary (per company);
- ◆ Payment of \$175,000 on the 4th anniversary (per company).

All other conditions of the agreements remain unchanged.

(j) Under the terms of the Second Amending Agreement To The Option Agreement re the Rossland Project (*see note 8(2)(h)*), the Company was required to make further payments of \$65,000 on each of the two options by the earlier of (i) closing of a financing, or (ii) within 6 months, or October 12, 2019.

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8. RESOURCE PROPERTIES, CONTINUED

(3) Rossland Project - acquisition history, continued

The required payments were not made by the due date, upon which the Company received a Notice of Default on October 16, 2019. The Notice of Default indicated that in the event that the default was not cured or disputed within 30 days, the option holders may then provide Notice of Termination of the Option Agreement to Currie Rose pursuant to Clause 11.03 of the Option Agreement.

On November 15, 2019, the option holders accepted two payments of \$30,000 (\$60,000 in total) as partial payment of each remaining \$65,000 obligation (\$130,000 in total), and agreed to forbear any further steps toward termination of the Option Agreement re the Rossland Project pending receipt of the balance of the funds due of \$70,000 in total. The remaining balance was paid in full in January, 2020.

- (k) Effective March 30, 2020, the parties agreed to the Fourth Amending Agreement To The Option Agreement to amend the original terms of the option agreements for the Rossland project to take into account current market conditions as well as practical limitations on work requirements due to the global COVID-19 pandemic.

Under the revised terms, the option holders have agreed to forgo all expenditure requirements for the current Stage 2 period and have further agreed to reduce the total minimum expenditure to \$1,000,000 and to be completed by January 14, 2023.

The Company is to maintain the claims in good standing by paying all permit and statutory expenditures and has further agreed that should the Company not meet the new minimum expenditure, it can rectify any breach by paying the option holders a total of \$100,000 cash.

The overall option payments previously agreed to remain in place. However, the option holders have agreed to accept quarterly instalments thereby extending the term to April, 2023 (from the initial date of April, 2022), as follows: Stage 2 - quarterly payments of \$62,500 (\$250,000 annually) beginning July 14, 2020; Stage 3 - quarterly payments of \$75,000 (\$300,000 annually) beginning July 14, 2021; Stage 4 - quarterly payments of \$87,500 (\$350,000 annually) beginning July 14, 2022. The Stage 2 quarterly payments of \$62,500 were made in July, 2020.

All other conditions of the agreements remain unchanged and at the completion of the above, the project will be 100% owned by Currie Rose.

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8. RESOURCE PROPERTIES, CONTINUED

(4) Scadding Township, Ontario, Canada

On April 24, 2019, the Company reached agreement in principle to sell its 49% interest in the Scadding Project ("Scadding") to MacDonald Mines Exploration Ltd. (TSX-V: BMK) ("MacDonald Mines").

Under the agreed terms, Currie Rose sold its 49% interest in the Scadding Project in exchange for:

- ◆ 8,000,000 shares of MacDonald Mines
- ◆ \$50,000 payment on transfer of title
- ◆ 3% NSR
- ◆ \$2,000,000 cash payment upon reaching commercial production - with a resulting decrease of the NSR to 2.5%
- ◆ NSR buyback of 1% for \$1,000,000
- ◆ Work obligation of \$1.5m over a three-year period

The sale closed on September 24, 2019 (*see note 7*) and was recorded as follows:

Shares of MacDonald Mines	\$	912,000
Cash		<u>50,000</u>
Total consideration received		962,000
Costs of disposition		<u>4,233</u>
Gain on disposition	\$	<u><u>957,767</u></u>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2020	December 31 2019
Trade accounts payable	\$ 333,136	\$ 252,498
Accrued liabilities	<u>21,500</u>	<u>92,500</u>
	<u>\$ 354,636</u>	<u>\$ 344,998</u>

Trade accounts payable as at September 30, 2020 includes \$290,000 (December 31, 2019 - \$234,377) of unpaid management fees owing to the related parties disclosed in note 12. Accrued liabilities as at September 30, 2020 includes \$Nil (December 31, 2019 - \$70,000) related to Rossland option payments (*see note 8(3)(j)*), which amount was paid in January, 2020.

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(Unaudited - Prepared by Management)

10. LOAN PAYABLE - RELATED PARTY

Over the course of 2019, an entity controlled by the CEO made loan advances of \$48,291 to the Company. The loan bore interest at 3% per annum, was unsecured and due on demand, and was repaid in full on March 27, 2020.

11. SHARE CAPITAL

Continuity schedules for each component of the Company's share capital and other equity instruments are disclosed in the unaudited interim condensed consolidated statements of changes in shareholders' equity for the period from January 1, 2019 to September 30, 2020. Descriptions of the significant changes in each component are as follows:

(a) Common shares issued re Rossland Project - April, 2019

On April 16, 2019, the Company issued 3,000,000 common shares valued at \$165,000 in satisfaction of its obligations arising on the 2nd anniversary of the Rossland Project acquisition (see note 8(3)(c)(ii))

(b) Private placement - December 27, 2019

(i) On December 27, 2019, the Company closed a private placement of 400,000 units at a price of \$0.05 each for gross proceeds of \$20,000, with each unit comprised of one common share and one share purchase warrant. Under the offering, the Company issued a total of 400,000 common shares and 400,000 warrants. The securities will be subject to hold periods in accordance with requisite securities laws. The exercise price of the warrants is \$0.10 per warrant, with an expiry date of October 21, 2021. Proceeds from this offering were used for work on the Company's Rossland project and general working capital.

(ii) Of the gross proceeds received, \$8,000 were allocated to warrants using the residual method of valuation, as the unit price of \$0.05 was in excess of the trading price of the common shares of \$0.03 on the closing date.

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11. SHARE CAPITAL, CONTINUED

(c) Stock options

On February 6, 2019, 2016 the Company granted options for the purchase of up to 2,050,000 common shares at a price of \$0.075 per share exercisable until February 6, 2024, all of which vested immediately. The fair value of these options was calculated with the Black-Scholes option pricing model. Using the assumptions of: (1) risk free interest rate of 1.84%, (2) expected volatility of 152%, (3) expected life of 5 years, and (4) dividend yield of 0.0%, the total fair value of the options granted was deemed to be \$111,315.

Since January 1, 2019, the following stock options have expired unexercised:

- 120,000 options issued in April, 2015 expired in April, 2020.
- 80,000 options issued in September, 2010 expired in September, 2020.

(d) Warrants

In 2019 Q4, 11,650,000 previously issued warrants exercisable at \$0.10 expired unexercised.

(e) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the three and nine months ended September 30, 2020 were 41,831,004 and 41,831,004 respectively (three and nine months ended September 30, 2019 were 41,431,002 and 40,310,123 respectively).

The potentially dilutive equity instruments outstanding were (i) 2,970,000 stock options (December 31, 2019 - 3,170,000), and (ii) 5,650,000 common share purchase warrants (December 31, 2019 - 5,650,000). The fully diluted number of common shares outstanding for the nine months ended September 30, 2020 was 50,451,004 (December 31, 2019 - 50,651,004).

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12. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel and directors compensation:

During the nine months ended September 30, 2020 and 2019, the Company had the following related party transactions with key management personnel and directors, and entities related to them, as follows:

	<u>2020</u>	<u>2019</u>
Management fees	\$ 144,584	\$ 144,000
Share based compensation	-	58,015

- (b) Accounts payable and accrued liabilities as at September 30, 2020 includes \$290,000 (December 31, 2019 - \$234,377) with respect to balances owing to related parties for the transactions disclosed above (*see note 9*). On January 14, 2020, the Company agreed to transfer 514,465 shares of MacDonald Mines Exploration Ltd. (*see note 7*) in settlement of its outstanding accounts payable to the related party described in note 12(c)(ii) at an ascribed value of \$41,157.

Accounts receivable includes a share subscription receivable of \$25,000 (December 31, 2019 - \$25,000) from a company controlled by a director (*see note 6*). This receivable was paid in full in November, 2020.

The loan payable to the related party of \$48,291 was repaid in full, without interest, on March 27, 2020 (*see note 10*).

- (c) Management fees expensed during the three month period ended September 30, 2020 consist of \$90,000 (September 30, 2019 - \$90,000) billed by an entity controlled by the CEO (for his services as CEO) (*see note 12(c)(i)*) and \$54,584 (September 30, 2019 - \$54,000) billed by an entity related to a director (*see note 12(c)(ii)*):
- (i) Effective July 1, 2017, the CEO entered into a revised contract for management services at a rate of \$10,000 per month compared to the prior rate of \$2,200 per month. The contract is for a 2 year term expiring on June 30, 2019, automatically renewing for a further 3 years upon expiry (unless terminated previously).
 - (ii) On July 1, 2017, the Company entered into a new contract for management and administrative services that replaced the pre-existing management services agreement described above. The contract is billed on a monthly basis at a rate of \$6,000 and includes the services of the CFO and corporate secretary, office rent and regular administrative functions. The contract, with a company related to a recently appointed director, has a three-month notice period and renews annually.

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(Unaudited - Prepared by Management)

13. COMMITMENTS

As at September 30, 2020, the Company has the following commitments:

- (a) option payments on its Rossland property as described in note 8(3)(k)
- (b) the related party commitments as described in note 12,
- (c) a residential lease for use by out-of-town staff at a monthly rate of \$900 for a period of twelve months commencing September 1, 2019, with a lessee option to renew for twelve months at a monthly rate subject to a maximum increase of 10%;
- (d) an office lease at a monthly rate of \$1,000 for a period of twelve months commencing November 1, 2019, with a lessee option to renew for the rate and term subject to negotiation.

14. SEGMENTED INFORMATION

With the disposition of its various resource property interests outside of Canada over the last number of years, the Company conducts its business in a single operating segment that consists of its Canadian resource property interest in Rossland, BC.