

BATHURST METALS CORP. (formerly Pacific Cascade Minerals Inc.)
(An Exploration Stage Company)

Condensed Interim Financial Statements
Nine Months Ended June 30, 2020 and 2019
(Expressed in Canadian Dollars)

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**Notice of Disclosure of Non-auditor Review of the Interim Financial Statements
For the Nine Months Ended June 30, 2020**

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

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the Company's management.

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

BATHURST METALS CORP. (formerly Pacific Cascade Minerals Inc.)
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	June 30, 2020 (Unaudited)	September 30, 2019
Assets		
Current		
Cash	\$ 68,643	\$ 87,893
Accounts receivable	4,669	1,652
Prepaid expenses	-	3,604
	73,312	93,149
Non-Current		
Reclamation bonds (note 6)	23,500	23,500
Mineral property interests (note 7)	39,340	-
	\$ 136,152	\$ 116,649
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 120,874	\$ 201,186
Due to related parties (note 12)	435,705	459,613
Loans payable (note 8)	237,483	226,204
Promissory notes payable (note 9)	360,920	149,844
	1,154,982	1,036,847
Shareholders' Deficiency		
Capital Stock (note 10)	7,010,416	7,010,416
Share-Based Payments Reserve	1,250,821	1,250,821
Reserves	164,425	164,425
Deficit	(9,444,492)	(9,345,860)
	(1,018,830)	(920,198)
	\$ 136,152	\$ 116,649

Approved on behalf of the Board:

"Harold Forzley" Director
Harold Forzley

"Sean Orr" Director
Sean Orr

BATHURST METALS CORP. (formerly Pacific Cascade Minerals Inc.)
(An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended June 30, 2020
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
Expenses				
Accounting and audit	\$ 6,894	\$ -	\$ 22,335	\$ -
Filing and listing fees (recovery)	(315)	1,250	10,008	3,750
General and office	534	-	8,797	261
Interest and bank charges (notes 8 and 9)	9,276	1,103	26,714	5,405
Legal fees	2,841	-	5,218	-
Management fees	-	-	18,000	-
Meals and entertainment	-	-	1,165	-
Transfer agent Fees	3,826	-	3,826	-
Travel and promo	-	-	2,659	-
Interest income	(14)	(13)	(90)	(88)
Net Loss and Comprehensive Loss for the Period	\$ 23,042	\$ 2,340	\$ 98,632	\$ 9,328
Loss Per Share, Basic and Diluted	\$ 0.00029	\$ 0.00003	\$ 0.00123	\$ 0.00012
Weighted Average Number of Common Shares Outstanding	80,454,719	80,454,719	80,454,719	80,454,719

BATHURST METALS CORP. (formerly Pacific Cascade Minerals Inc.)
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Condensed Interim Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock		Share-Based Payments Reserve	Reserves	Deficit	Total
	Number of Shares	Amount				
Balance, September 30, 2018	80,454,719	\$ 7,010,416	\$ 1,250,821	\$ 164,425	\$ (9,902,389)	\$ (1,476,727)
Net loss for the period	-	-	-	-	(9,328)	(9,328)
Balance, June 30, 2019	80,454,719	\$ 7,010,416	\$ 1,250,821	\$ 164,425	\$ (9,911,717)	\$ (1,486,055)
Balance, September 30, 2019	80,454,719	\$ 7,010,416	\$ 1,250,821	\$ 164,425	\$ (9,345,860)	\$ (920,198)
Net loss for the period	-	-	-	-	(98,632)	(98,632)
Balance, June 30, 2020	80,454,719	\$ 7,010,416	\$ 1,250,821	\$ 164,425	\$ (9,444,492)	\$ (1,018,830)

BATHURST METALS CORP. (formerly Pacific Cascade Minerals Inc.)
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
For the Nine Months Ended June 30
(Expressed in Canadian Dollars)
(Unaudited)

	2020	2019
Operating Activities		
Net loss for the period	\$ (98,632)	\$ (9,328)
Item not affecting cash		
Interest expense accrued on loans (notes 8 and 9)	26,355	5,250
	(72,277)	(4,078)
Changes in non-cash working capital		
Accounts receivable	(3,017)	(24)
Prepaid expenses	3,604	-
Accounts payable and accrued liabilities	(80,312)	(788)
Due to related parties	(23,908)	-
Cash Used by Operating Activities	(175,910)	(4,890)
Investing Activities		
Mineral property interests	(39,340)	-
Cash Used by Investing Activities	(39,340)	-
Financing Activities		
Proceeds from promissory notes (note 9)	196,000	50,000
Cash Provided by Financing Activities	196,000	50,000
Increase (Decrease) in Cash	(19,250)	45,110
Cash, Beginning of Period	87,893	112
Cash, End of Period	\$ 68,643	\$ 45,222
Non cash transaction:		
Mineral property interests accrued in accounts payable and accrued liabilities	\$ -	\$ -
Cash paid during the period for:		
Income taxes	\$ -	\$ -
Interest	\$ -	\$ -

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Notes to Condensed Interim Financial Statements
Nine Months Period Ended June 30, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Bathurst Metals Corp. (formerly Pacific Cascade Minerals Inc.) (the "Company") was incorporated under the Business Corporations Act of British Columbia on January 24, 2006. The Company changed its name from Pacific Cascade Minerals Inc. to Bathurst Metals Corp. and commenced trading on August 14, 2020 under the stock symbol "BMV". The Company is involved in the acquisition, exploration and development of mineral properties located in Nunavut, Canada. The Company's registered office is located at 665 Dougall Road, Gibsons, British Columbia, V0N 1V8. The Company was issued a cease trade order ("CTO") by the B.C. Securities Commission ("BCSC") on February 5, 2016. On November 20, 2018, the BCSC issued a Partial Revocation Order to allow the Company to complete a private placement of convertible promissory notes. On April 27, 2020 the BCSC issued a revocation of the cease trade order.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several adverse conditions cast significant doubt on the validity of this assumption. The Company reported a net loss of \$98,632 for the nine months ended June 30, 2020 (June 30, 2019 – \$9,328), and as at June 30, 2020, has a working capital deficit of \$1,081,670 (September 30, 2019 - \$943,698) and an accumulated deficit of \$9,444,492 (September 30, 2019 - \$9,345,860), and has no source of revenue or operating cash flow.

The Company's ability to continue as a going concern is dependent on the Company being able to obtain the necessary financing to meet administrative overheads and to complete the acquisition, exploration and development of its mineral property interests into profitable mining operations.

The Company has relied mainly upon the issuance of capital stock and loan arrangements to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of capital stock to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company has experienced difficulty obtaining financing to provide it with the working capital to meet its financial obligations, exploration and development commitments, and operations. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition.

There can be no assurance that any or all of the foregoing conditions will be met. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Since January 2020, the gradual outbreak of the novel strain of the coronavirus, COVID-19 and its eventual declaration as a pandemic by the World Health Organization, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown. If the pandemic is protracted or re-emerges, this could amplify the current negative impact on global growth and financial markets and prolonged low interest rate period. This may impact the Company's ability to obtain additional financing to support exploration activities.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), as issued

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2. BASIS OF PREPARATION (Continued)

(a) Statement of compliance (Continued)

by the International Accounting Standards Board ("IASB") and its interpretations. Accordingly, they do not include all of the information and note disclosures as required by International Financial Reporting Standards ("IFRS") for annual financial statements. Unless stated otherwise, the accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its most recent annual financial statements which are filed on the Company's profile on SEDAR at www.sedar.com. These condensed interim financial statements should be read in conjunction with the Company's financial statements as at and for the year ended September 30, 2019. Results for the period ended June 30, 2020 are not necessarily indicative of future results.

These financial statements were approved by the Board of Directors and authorized for issue on **August 27**, 2020.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except cash flow information.

(c) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

(d) Critical accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. Actual results could differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgment and assumptions applied in the preparation of these financial statements and other major sources of measurement uncertainty are discussed in note 4.

(e) New accounting standards adopted

IFRS 16 Leases

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

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2. BASIS OF PREPARATION (Continued)

- (e) New accounting standards adopted (Continued)

IFRS 16 Leases (Continued)

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

This standard is effective for the Company's annual period beginning on October 1, 2019. The application of IFRS 16 is estimated to have no material impact.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies used in the preparation of these financial statements.

- (a) Mineral property interests

All costs related to the acquisition, exploration and development of mineral property interests are capitalized on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred resource property expenditures are reviewed annually, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Mineral property interests (Continued)

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, any amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received.

(b) Provisions for decommissioning and restoration liabilities

The Company recognizes an estimate of the liability associated with a decommissioning and restoration obligation in the financial statements at the time the liability is incurred. The estimated fair value of the decommissioning and restoration obligation is recorded as a liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to operations in the period. The decommissioning and restoration obligation can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the decommissioning and restoration obligation are charged against the decommissioning and restoration obligation to the extent of the liability recorded.

(c) Equity units

Proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the proceeds are firstly allocated to common shares based on the trading price on the date of issue of the units and the balance, if any, allocated to the attached share purchase warrants.

(d) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of capital stock.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Share-based payments (Continued)

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payments reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to capital stock along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(e) Earnings (loss) per share

Earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(f) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Deferred tax assets and liabilities are measured using substantively enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially enacted. The amount of deferred income tax assets is limited to the amount of the benefit that is probable of being realized.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the statement of financial position date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Revenue and expenses (excluding depreciation, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included profit or loss.

(h) Financial instruments

Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statements of financial position at fair value with changes in fair value therein, recognized in profit or loss.

The Company classifies cash as fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method.

There are no financial assets classified as measured at amortized cost.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

A financial asset measured at fair value through other comprehensive income is carried in the statement of financial position with changes in fair value in other comprehensive income.

There are no financial assets classified as measured at FVTOCI.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

The Company's financial liabilities included accounts payable and accrued liabilities, loans payable, balances due to related parties, and promissory notes payable. These are measured at amortized cost.

Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debt in Canadian dollars that can be converted to units at the option of the holder, when the number of units to be issued is fixed and does not vary with changes in fair value. A unit comprises of one common share and one non-transferrable share purchase warrant.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have a conversion option. The conversion component is initially recognized at the difference between fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and conversion components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost. Interest related to the financial liability is recognized in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash, accounts payable and accrued liabilities, loans payable, balances due to related parties, and promissory notes payable. Their carrying values approximate the fair values due to short-term maturity of these instruments.

(i) IFRS 9

During the year ended September 30, 2019 the Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of October 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for the classification and measurement of financial instrument and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, with the exception that for financial liabilities designated at fair value through profit or loss, the change in fair value that is attributable to changes in credit risk of that liability is presented in other comprehensive loss instead of in statement of operations as previously applied.

4. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments

The Company has made the following critical judgments, apart from those involving estimations, in the process of applying its accounting policies that have the most significant effect on the amounts recognized in the financial statements:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. See note 1 for more information.

Impairment of mineral properties

The Company's mineral property represents acquisition costs and exploration expenditures relating to the Company's mineral properties. At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, which is the greater of the asset's value in use and fair value less costs to sell. The Company considers both external and internal sources of information in assessing whether there are any indications that the Company's mineral properties are impaired.

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4. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that may have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Provision for decommissioning

An obligation to incur future reclamation, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. As at June 30, 2020, management has determined that the Company has obligation for decommissioning of \$20,000 included in accounts payable and accrued liabilities.

Convertible Promissory Notes Payable

The convertible promissory notes payable with a maturity date of more than one year are separated into their liability and equity components on the statements of financial position. The liability component is initially recognized at fair value, calculated at the present value of the liability based upon non-convertible promissory notes payable issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for non-convertible promissory notes payable with similar terms at the time of issue.

Income taxes

In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

Share-based payments

Assumptions are used in determining share-based payments. The fair value of stock options and warrants are subject to the limitation of the Black-Scholes option pricing model that requires market data and estimates used by the Company in the assumptions. These inputs are subjective assumptions and changes in these inputs can materially affect the fair value estimated.

5. RISK MANAGEMENT

The Company's risk exposure are summarized below.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

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5. RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As the majority of the Company's loans payable have fixed interest rates (notes 8 and 9), the Company's sensitivity analysis indicates that exposure to interest rate risk is minimal.

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk on its financial instruments.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk exists with respect to the Company's cash of \$68,643 (September 30, 2019 - \$87,893), and the Company's reclamation bonds and deposit of \$23,500 (September 30, 2019 - \$23,500), which are held at a single major Canadian financial institution.

Credit risk is minimized by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade rating by a primary ratings agency.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at June 30, 2020, the Company has cash of \$68,643 (September 30, 2019 - \$87,893) available to settle current liabilities of \$1,154,982 (September 30, 2019 - \$1,036,847).

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5. RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

The Company's accounts payable, amounts due to related parties and loans payable are due in the short term (0 to 3 months). The Company's promissory notes payable is due within one year of the issue date or due on demand.

As at June 30, 2020, there is an insufficient cash balance to meet obligations. The Company will be required to raise additional capital in order to fund its operations and liabilities as they come due.

6. RECLAMATION BONDS

Pursuant to government regulations, and as a condition of undertaking mineral property exploration activities, the Company is obligated to provide specified amounts of security ("reclamation bonds") against potential future rehabilitation costs for the Crack Moly mineral property that had been previously written off as impaired.

The Company has pledged two guaranteed investment certificates as reclamation bonds with the following terms:

2020	Interest Rate	Maturity Date	Amount
Bank of Montreal	Prime less 2.7%	January 12, 2021	\$ 20,000 ¹
Bank of Montreal	0.6%	June 25, 2020	3,500
			\$ 23,500

¹ The Company estimated that the undiscounted value of its site restoration obligation for Crack Moly minerals property amounts to \$20,000 and has recognized a decommissioning liability in accounts payable and accrued liabilities. As it is uncertain when reclamation activities are to occur, a discount rate has not been applied to correspond with the impact of the passage of time.

7. MINERAL PROPERTY INTERESTS

(a) Turner Lake Project, Nunavut, Canada

On September 11, 2018, the Company entered into an agreement (subject to Toronto Stock Exchange, "TSX", approval) with Canadian Palladium Resources Inc. (formerly Declan Cobalt Inc.) (the "Vendor") to purchase a 100% interest in the Turner Lake Project (the "Property") located in Nunavut. The Company relationship with the Vendor is an arm's length agreement and there are no other ties between the two companies. There is no expiry date on the agreement.

The Property consists of 2 claims. Under the terms of the agreement, the Company agrees to purchase a 100% right title and interest in the Property in exchange for 1,000,000 common shares of the Company to be delivered to the Vendor within 10 days after the Company receives regulatory approval (the "Completion Date"). The Company will reimburse the Vendor for expenses on exploration, evaluation and development activities totaling \$46,721 with \$25,000 on the Completion Date and provide a note for \$21,721 to be paid within 120 days after the Completion Date. There is a 1% net smelter return ("NSR") reserved by the original property owners which may be purchased for \$1,000,000 at any time after commercial production.

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7. **MINERAL PROPERTY INTERESTS** (Continued)

(a) Turner Lake Project, Nunavut, Canada (Continued)

During the period ended June 30, 2020, the Company staked 6 additional claims adjacent to and in the proximity of the current Turner Lake claims. The 6 additional claims comprised of 6,675 acres expanding the Company's land holdings in the Turner Lake Project.

At June 30, 2020, the Company has not made any payments or issued any shares to the Vendor in connection with this agreement.

(b) Environmental

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company currently has an obligation on a property (note 6) related to the Crack Moly mineral property.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

(c) Title to mineral property interests

Although the Company has taken steps to ensure the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior arrangements or transfers and title may be affected by undetected defects.

(d) Realization of assets

Realization of the Company's investment in mineral property interests is dependent upon the establishment of legal ownership, the attainment of successful production from the mineral property interests or from the proceeds of disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are allowed to lapse.

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7. MINERAL PROPERTY INTERESTS (Continued)

The Company capitalized the following expenditures for the Turner Lake Project:

	June 30, 2020	September 30, 2019
Claim Extension Fee	\$ 10,106	\$ -
Staking	11,102	-
Transportation	18,132	-
Total	\$ 39,340	\$ -

8. LOANS PAYABLE

The Company's loans payable consists of the following:

As at June 30, 2020:

	Principal	Accrued Interest	Total
Loan Payable 1 – interest at 8%	\$ 100,000	\$ 92,986	\$ 192,986
Loan Payable 2 – interest at 10%	2,625	1,294	3,919
Loans Payable – no interest	40,578	-	40,578
	\$ 143,203	\$ 94,280	\$ 237,483

As at September 30, 2019

	Principal	Accrued Interest	Total
Loan Payable 1 – interest at 8%	\$ 100,000	\$ 81,986	\$ 181,986
Loan Payable 2 – interest at 10%	2,625	1,015	3,640
Loans Payable – no interest	40,578	-	40,578
	\$ 143,203	\$ 83,001	\$ 226,204

- a) Loan Payable 1 – On November 12, 2012, the Company entered into a loan agreement with an arm's length party with interest rate at 25% per annum, and a maturity date of January 13, 2013. As amended in 2015, the interest rate has been reduced to 8% per annum. The loan is due on demand.
- b) Loan Payable 2 – The Company entered into a loan agreement with an arm's length party on May 2, 2016 with a maturity date of May 2, 2017 and interest rate at 10% per annum payable quarterly. Any unpaid amount including interest accrued after the maturity date would be subject to interest at 10% per annum.
- c) The remainder of the loans payable are now due on demand with no interest terms.

Loan payables are not secured against any assets of the Company.

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9. PROMISSORY NOTES PAYABLE

On September 19, 2019, the Company completed a financing by issuing unsecured convertible promissory notes ("Notes") in the aggregate amount of \$149,500. The Notes have a term of one year bearing interest at the rate of 7% per annum, convertible into units with a conversion price of \$0.05. Each unit consists of one common share and one non-transferable common share purchase warrants with each warrant entitling the holder to acquire an additional common share for a period of 2 years for a price of \$0.05 per share. Accrued interest of \$7,827 (September 30, 2019 - \$344) has been included in the promissory notes balance payable. The fair value of the Notes was allocated entirely to the liability component.

On October 4, 2019, the Company issued promissory notes of \$75,000 due on demand bearing interest at a rate of 7% per annum. Accrued interest of \$3,887 has been included in the promissory note balance payable.

On January 29, 2020, the Company issued a promissory note of \$10,000 due on demand bearing interest at a rate of 7% per annum. Accrued interest of \$302 has been included in the promissory note balance payable.

On April 2, 2020, the Company issued promissory notes of \$40,000 due on demand bearing interest at a rate of 7% per annum. Accrued interest of \$684 has been include in the promissory note balance payable.

On June 15, 2020, the Company issued promissory notes of \$25,000 due on demand bearing interest at a rate of 7% per annum. Accrued interest of \$76 has been include in the promissory note balance payable.

On June 25, 2020, the Company issued promissory notes of \$46,000 due on demand with placement fees payable of \$2,300. Accrued fee of \$2,300 has been include in the promissory note balance payable.

Included in the promissory note balance, is \$9,000 payable to a director of the Company.

10. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

Unlimited number of Class A cumulative shares with a par value of \$1 per share and with special rights and restrictions

Unlimited number of Class B non-cumulative shares with a par value of \$5 per share and with special rights and restrictions

(b) Issued

There were no common shares issued during the nine-month period ended June 30, 2020 and the year ended September 30, 2019.

11. STOCK OPTION PLAN

The Company adopted a stock option plan on April 20, 2012 (the "2012 Plan"). The 2012 Plan provides that the aggregate number of securities reserved for issuance, set aside and made available for issuance, may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options including all options granted by the Company to date.

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11. STOCK OPTION PLAN (Continued)

The option price under each option is subject to a minimum of \$0.10 per share and shall not be less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than ten years after the grant date. Options granted to consultants engaged in investor relations activities shall vest in stages over a minimum period of twelve months with no more than 25% of the options vesting in any three-month period. All other options granted shall vest immediately.

As at June 30, 2020, the Company had the following share purchase options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Average Fair Value at Grant Date	Remaining Contractual Life	Options Exercisable
March 3, 2021	\$ 0.10	1,825,000	\$ 0.07	0.67	1,825,000
September 30, 2021	\$ 0.10	675,000	\$ 0.09	1.25	675,000
		2,500,000		0.83	2,500,000

As at September 30, 2019, the Company had the following share purchase options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Average Fair Value at Grant Date	Remaining Contractual Life	Options Exercisable
March 3, 2021	\$ 0.10	1,825,000	\$ 0.07	1.42	1,825,000
September 30, 2021	\$ 0.10	675,000	\$ 0.09	2.00	675,000
		2,500,000		1.58	2,500,000

There were no options granted or exercised during the periods ended June 30, 2020 and September 30, 2019.

12. RELATED PARTY TRANSACTIONS

Related party transactions not otherwise disclosed in the financial statements, are as follows:

(a) *Key management compensation*

Management fees of \$Nil and \$18,000 were paid and accrued during the three and nine months ended June 30, 2020, respectively (Three and nine months ended June 30, 2019 - \$nil were accrued or paid). At June 30, 2020, \$63,000 of management fees were accrued in due to related parties (September 30, 2019 - \$63,000).

The Company has no termination benefits, post-employment benefits and other long-term employee benefits.

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12. RELATED PARTY TRANSACTIONS (Continued)

(b) Due to related parties

Due to related parties consist of advances, accrued management fees and expenses paid by directors of the Company. As at June 30, 2020, the amount totaled \$435,705 (September 30, 2019 - \$459,631). During the period, the Company repaid \$23,908 (September 30, 2019 - \$20,000) to directors. In addition, expenses of \$9,531 including GST of \$293 (June 30, 2019 - \$Nil) were paid by a director on behalf of the Company. The balance due to related parties are due on demand with no interest terms.

13. CAPITAL DISCLOSURE

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock and loan arrangements.

Capital requirements are driven by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company strictly monitors actual expenses to budget on all exploration projects and overhead to ensure costs are controlled, commitments are met and exploration activities are completed.

The Company considers its capital under management to be its capital stock, loans payable and promissory notes payable, and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. 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.

14. OPERATING SEGMENTS

The Company has one industry segment, the exploration and development of mineral property interests. During the period ended June 30, 2020, the Company operated in one geographic segment in Canada.

15. SUBSEQUENT EVENTS

a) Turner Lake Project

On July 28, 2020, the Company completed the acquisition of 100% interest in the property for the Turner Lake Project located in Nanavut. The Company paid expenses of \$46,721 to the Vendor and issued 1,000,000 common shares of the Company as consideration for the property. There is a 1% net smelter return reserved by the original owners of the property which can be purchased for \$1,000,000 at any time after commercial production.

b) Names Change and Share Consolidation

On August 14, 2020, the Company changed its name from Pacific Cascade Minerals Inc. to Bathurst Metals Corp. The Company's shares are now traded under the NEX board under the TSX-V under the new name with the stock symbol "BMV". In conjunction with the name change, the Company will also be completing a share consolidation on the basis of one (1) post-consolidation common share for every three (3) pre-consolidation common shares.