



## **A.I.S. RESOURCES LIMITED**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020**

**(Expressed in Canadian dollars)**

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an independent auditor. These condensed interim consolidated financial statements for the period ended September 30, 2020 have been prepared by and are the responsibility of the Company's management. They have not been reviewed by the Company's independent auditor.

# A.I.S. RESOURCES LIMITED

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at,

	<i>Note</i>	Unaudited September 30, 2020	Audited December 31, 2019
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	3	44,258	3,372
Accounts receivable	4	181,375	179,490
Prepaid expenses	5	7,369	89,664
Inventory	6	-	59,069
<b>Total current assets</b>		<b>233,002</b>	<b>331,595</b>
<b>Non-current assets</b>			
Right-of-use assets	7	23,343	46,848
Other investment	9	1,206,981	1,175,221
Exploration and evaluation assets	10	168,702	-
		<b>1,632,028</b>	<b>1,553,664</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		493,807	675,842
Due to related parties	11	142,370	123,694
Lease liabilities	12	30,059	35,971
Promissory notes and loans payable	13	670,338	658,222
<b>Total current liabilities</b>		<b>1,336,574</b>	<b>1,493,729</b>
Lease liabilities	12	-	21,359
		<b>1,336,574</b>	<b>1,515,088</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	14	14,419,334	13,508,386
Reserves	15	3,262,360	3,148,977
Other Comprehensive Income		707,225	675,465
Deficit		(18,093,465)	(17,294,252)
		295,454	38,576
		<b>1,632,028</b>	<b>1,553,664</b>

Note 1: Nature of operations and going concern

Note 20: Subsequent events

Martyn Element, Director

Kiki Smith, Director

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

## A.I.S. RESOURCES LIMITED

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars)

	<i>Note</i>	Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
		\$	\$	\$	\$
Revenue		-	-	60,390	-
Cost of goods sold		-	-	(60,390)	-
<b>Gross profit</b>		-	-	-	-
<b>EXPENSES:</b>					
Consulting		81,146	24,081	160,888	60,314
Directors fees	11	7,500	7,500	22,500	22,500
General and administrative		33,288	32,090	100,657	88,462
Interest and financing	12 & 13	26,715	29,619	88,786	88,739
Management fees	11	23,625	23,625	70,875	70,875
Professional fees	11	39,573	43,285	114,712	169,380
Project evaluation cost		-	-	-	2,714
Share based payments	14 & 13	147,737	445,350	147,737	445,350
Transfer agent and filing		7,029	15,095	25,459	48,388
Travel and promotion		15,677	74,577	49,922	158,682
		(382,290)	(695,222)	(781,536)	(1,155,404)
<b>OTHER INCOME (EXPENSES):</b>					
Investment income		-	60	-	60
Gain on settlement of debt		8,158	-	8,158	-
Unrealized foreign exchange gain (loss)		15,421	4,507	(25,835)	(43,546)
<b>Net loss for the period</b>		<b>(358,711)</b>	<b>(690,655)</b>	<b>(799,213)</b>	<b>(1,198,890)</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
Unrealized gain (loss) on investment	9	(26,151)	5,150	31,760	(15,926)
<b>Comprehensive loss for the period</b>		<b>(384,862)</b>	<b>(685,505)</b>	<b>(767,453)</b>	<b>(1,214,816)</b>
<b>Loss per share</b>					
Basic and diluted		\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding		96,548,188	80,069,820	87,832,233	68,724,321

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

# A.I.S. RESOURCES LIMITED

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited)

(Expressed in Canadian Dollars)

	Common shares		Reserves				Other Comprehensive Income	Deficit	Total
	No. of shares	Share capital	Subscriptions received	Stock Options	Warrants	Contributed surplus			
		\$	\$	\$	\$	\$	\$	\$	
Balance, December 31, 2018	53,480,894	11,876,782	157,650	2,000,631	-	702,601	44,776	(11,613,775)	3,168,665
Shares issued for cash	29,945,472	1,645,830	(157,650)	-	-	-	-	-	1,488,180
Shares issue cost	-	(7,948)	-	-	395	-	-	-	(7,553)
Stock options expense	-	-	-	445,350	-	-	-	-	445,350
Stock options expired	-	-	-	(318,289)	-	318,289	-	-	-
Loss for the period	-	-	-	-	-	-	(15,926)	(1,198,890)	(1,214,816)
<b>Balance, September 30, 2019</b>	<b>83,426,366</b>	<b>13,514,664</b>	<b>-</b>	<b>2,127,692</b>	<b>395</b>	<b>1,020,890</b>	<b>28,850</b>	<b>(12,812,665)</b>	<b>3,879,826</b>
Balance, December 31, 2019	83,426,366	13,508,386	-	2,127,692	395	1,020,890	675,465	(17,294,252)	38,576
Shares issued for cash	27,833,333	835,000	-	-	-	-	-	-	835,000
Shares issue cost	-	(5,731)	-	-	-	-	-	-	(5,731)
Shares issued for debt settlement	143,463	9,325	-	-	-	-	-	-	9,325
Options exercised	485,000	72,354	-	(34,354)	-	-	-	-	38,000
Options expired	-	-	-	(1,486)	-	1,486	-	-	-
Warrants expired	-	-	-	-	(395)	395	-	-	-
Stock options expense	-	-	-	147,737	-	-	-	-	147,737
Loss for the period	-	-	-	-	-	-	31,760	(799,213)	(767,453)
<b>Balance, September 30, 2020</b>	<b>111,888,162</b>	<b>14,419,334</b>	<b>-</b>	<b>2,239,589</b>	<b>-</b>	<b>1,022,771</b>	<b>707,225</b>	<b>(18,093,465)</b>	<b>295,454</b>

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

## A.I.S. RESOURCES LIMITED

### Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars)

	Nine months ended September 30,	
	2020	2019
	\$	\$
<b>CASH USED IN OPERATIONS</b>		
Loss for the period	(799,213)	(1,198,890)
Adjustments for items not involving cash:		
Accrued interest and accretion of financing costs	88,786	88,739
Depreciation	23,505	790
Gain on settlement of debt	(8,158)	-
Share based payments	147,737	445,350
Unrealized foreign exchange loss (gain)	9,740	(15,064)
	(537,603)	(679,075)
Changes in non-cash working capital:		
Accounts receivable	2,850	(1,425)
Prepaid expenses	82,295	(57,815)
Inventories	59,069	(229,980)
Accounts payable and accrued liabilities	(88,979)	43,805
Related parties	18,676	(234,507)
	(463,692)	(1,158,997)
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(244,275)	(485,294)
Option payments received	-	100,635
	(244,275)	(384,659)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued for cash – net of share issue costs	829,269	1,480,627
Options exercised	38,000	-
Promissory notes and loans proceeds – net of repayments	(70,495)	31,556
Interest paid	(16,940)	(11,539)
Lease payments	(30,981)	-
	748,853	1,500,644
<b>Net change in cash balances</b>	<b>40,886</b>	<b>(43,012)</b>
Cash at beginning of period	3,372	73,349
<b>Cash at end of period</b>	<b>44,258</b>	<b>30,337</b>

Note 16: Supplemental information with respect to cash flows

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

# A.I.S. RESOURCES LIMITED

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

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### 1. Nature of operations and going concern

A.I.S. Resources Limited (the “Company” or “A.I.S.”) was incorporated under the laws of Bahamas Islands. On December 20, 2018, the Company continued as a British Columbia corporation and is now governed by the Business Corporations Act (British Columbia). The business of A.I.S. is investing in securities, commodities, and exploration and evaluation assets.

The head office and principal address of the Company is Suite 2300 – 1177 West Hastings Street, Vancouver, British Columbia, Canada V6E 2K3. The Company’s records office and registered office is located at Suite 700 - 1199 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3T5.

The condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue its operations and will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business. At September 30, 2020, the Company had a working capital deficit of \$1,103,572 and an accumulated deficit of \$18,093,465. The ability of the Company to continue as a going concern is dependent upon the continued financial support from related parties, the ability of the Company to raise equity financing to continue investment activities and upon future profitable operations or proceeds from disposition of investments. Given the operating losses accumulated in the last number of years, the Company’s ability to realize its assets and discharge its liabilities depends on continued support from its directors, the ability to raise further funds to provide working capital and ultimately on generating future profitable operations. These uncertainties cast a significant doubt on the ability of the Company to continue operations as a going concern. The condensed interim consolidated financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

### 2. Basis of preparation and significant accounting policies

#### Statement of compliance

These condensed interim consolidated financial statements for the period months ended September 30, 2020 have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting using the accounting policies adopted by the Company in its most recent annual financial statements.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2019, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB).

The condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on November 30, 2020.

# A.I.S. RESOURCES LIMITED

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

### 2. Basis of preparation and significant accounting policies (continued)

#### Basis of consolidation and presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are valued at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiary. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, AIS Resources S.A., an Argentina company. All significant intercompany transactions and balances have been eliminated.

The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Company ceases to control a subsidiary, assets, liabilities and non-controlling interests of the subsidiary are derecognized at their carrying amounts at the date when control is lost. Investment retained in the former subsidiary is recognized at its fair value and any gain or loss resulting from deconsolidation is recorded through profit or loss.

The financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiary.

### 3. Cash

The Company had cash deposits of \$44,258 at September 30, 2020 (December 31, 2019 - \$3,372).

### 4. Accounts receivable

	September 30, 2020	December 31, 2019
	\$	\$
Exploration expenses <sup>(1)</sup>	179,950	175,215
Other receivables	1,425	4,275
	180,375	179,490

<sup>(1)</sup> Exploration expenses of USD \$134,905 are receivable from the Company's exploration partner MGX Mineral Inc. pursuant to the option agreement for Salinitas, Salinas Grandes property. (Note 10b & 20)

### 5. Prepaid expenses

	September 30, 2020	December 31, 2019
	\$	\$
General operating and administrative	493,807	48,117

## A.I.S. RESOURCES LIMITED

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

#### 6. Inventory

Total inventory is stated at the lower of cost and net realizable value and is comprised of manganese ore purchased by the Company for resale. Costs include the purchase, packaging, transportation, shipping, and testing of manganese ore. The assessment of net realizable value at December 31, 2019 resulted in an inventory write-down of \$242,663.

#### 7. Right-of-use assets

	Office lease
	\$
Balance, December 31, 2018	-
Recognized at adoption of IFRS 16	82,380
Depreciation	(35,532)
Balance, December 31, 2019	46,848
Depreciation	(23,505)
<b>Balance, September 30, 2020</b>	<b>23,343</b>

#### 8. Equipment

	Computer equipment
	\$
<b>Costs:</b>	
Balance, December 31, 2018 and 2019	<b>4,618</b>
<b>Accumulated depreciation:</b>	
Balance, December 31, 2018	3,828
Depreciation	790
Balance, December 31, 2019	<b>4,618</b>
<b>Net Book Value:</b>	
<b>December 31, 2019</b>	<b>-</b>

#### 9. Other investment

Other investment is comprised of shares of Buda Juice LLC, a private company. The investment is measured at fair value through other comprehensive income. During the three and nine months ended September 30, 2020, the Company recognized an unrealized gain (loss) on investment of \$(26,151) and \$31,760 (2019 - \$5,150 and \$(15,926)), which has been recorded as other comprehensive income. The assessed fair value of the investment at September 30, 2020, is US \$904,852 (December 31, 2019 – US \$904,852).

# A.I.S. RESOURCES LIMITED

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

### 10. Exploration and evaluation assets

Exploration and evaluation assets are comprised of:

	December 31, 2019	Expenditures	Impairment	September 30, 2020
	\$	\$	\$	\$
<b>Yalgogrin</b>				
Acquisition	-	28,389	-	28,389
Deferred exploration costs	-	1,427	-	1,427
	-	29,816	-	29,816
<b>Toolleen-Fosterville</b>				
Acquisition	-	105,416	-	105,416
Deferred exploration costs	-	-	-	-
	-	105,416	-	105,416
<b>Kingston</b>				
Acquisition	-	33,470	-	33,470
Deferred exploration costs	-	-	-	-
	-	33,470	-	33,470
<b>Total</b>	<b>-</b>	<b>168,702</b>	<b>-</b>	<b>168,702</b>

	December 31, 2018	Expenditures	Impairment	December 31, 2019
	\$	\$	\$	\$
<b>Guayatayoc and Laguna Vilama</b>				
Acquisition	1,913,386	-	(1,913,368)	-
Deferred exploration costs	1,562,414	465,474	(2,027,888)	-
	3,475,800	465,474	(3,941,274)	-
<b>Salinitas, Salinas Grandes</b>				
Acquisition	325,425	-	-	325,425
Deferred exploration costs	380,369	139,165	-	519,534
Recovery	(557,551)	(287,408)	-	(844,959)
	148,243	(148,243)	-	-
<b>Total</b>	<b>3,624,043</b>	<b>317,231</b>	<b>(3,941,274)</b>	<b>-</b>

## A.I.S. RESOURCES LIMITED

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

#### 10. Exploration and Evaluation assets (continued)

Deferred exploration costs are as follows:

	Yalgogrin (c)	Toolleen- Fosterville (d)	Kingston (e)	Total
	\$	\$	\$	\$
Balance, December 31, 2019	-	-	-	-
Exploration:				
License fee, permits, claim fees, and taxes	1,427	-	-	1,427
<b>Balance, September 30, 2020</b>	<b>1,427</b>	<b>-</b>	<b>-</b>	<b>1,427</b>

	Guayatayoc and Laguna Vilama (a)	Salinitas, Salinas Grandes (b)	Total
	\$	\$	\$
Balance, December 31, 2018	1,562,414	380,369	1,942,783
Exploration:			
Assay and laboratory	5,499	3,038	8,537
Exploration	131,651	-	131,651
Drilling	47,249	118,719	165,968
Geology and geophysics	169,152	17,095	186,247
License fee, permits, claim fees, and taxes	29,320	143	29,463
Local office and administration	1,406	170	1,576
Travel	81,197	-	81,197
	465,474	139,165	604,639
Impairment	(2,027,888)	-	(2,027,888)
Recovery	-	(519,534)	-
<b>Balance, December 31, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### a) Guayatayoc and Laguna Vilama

On September 16, 2016, the Company entered into an option agreement to acquire a 100% interest in two lithium properties in Argentina, Guayatayoc and Laguna Vilama (the "Property"), for a purchase price of \$4.5 million USD. The Company paid \$150,000 USD for a 6-month option entitling it to conduct exploration, sampling, chemistry and drilling to determine the commercial viability of the Property. On April 12, 2017, the Company entered into an agreement to extend the option period for an additional 3 months commencing May 04, 2017. The Company paid \$150,000 USD for the extension of the option period until the expiry of the option agreement on August 4, 2017.

On October 11, 2017, the Company entered into a new option agreement to acquire a 100% interest in the Property and paid \$720,000 USD for a 6-month option period. On April 17, 2018, the Company paid \$280,000 USD for a 6-month extension of the option agreement.

On September 12, 2018, the Company entered into a new option agreement to acquire a 100% interest in the Property and paid \$200,000 USD for a 6-month option period. At any time during the option period, the Company can acquire the Property in exchange for a payment of \$4.5 million USD.

## A.I.S. RESOURCES LIMITED

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

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#### 10. Exploration and Evaluation assets (continued)

##### a) *Guayatayoc and Laguna Vilama (continued)*

On March 27, 2019, the Company entered into a revised option agreement to acquire a 100% interest in the Property. The option term was extended to July 15, 2019 at no additional cost. At any time during the option period, the Company can acquire the Property by a payment of \$2.25 million USD.

During the year ended December 31, 2019, the Company relinquished the right to acquire the Property due to unfavorable business environment in the jurisdiction of the Property. The Company recorded an impairment loss of \$3,941,274 thereof.

##### b) *Salinitas, Salinas Grandes*

On June 13, 2018, the Company entered into an option agreement to acquire a 100% interest in five lithium brine properties located in the Salinas Grandes Salar in Salta Province, Argentina, for a purchase price of \$4 million USD. The Company paid \$250,000 USD for the 24-month option period entitling it to conduct exploration, sampling, chemistry and drilling to determine the commercial viability of the project. As per the terms of the agreement, 12 months from the agreement date the Company must pay \$250,000 USD towards the purchase price and expend \$1.2 million on the property during the option period.

On July 23, 2018, the Company entered into an option agreement with MGX Minerals Inc. ("MGX") granting MGX the right to acquire an 80% interest in the five lithium brine properties located in the Salinas Grandes Salar in Salta Province, Argentina, for a purchase price of \$3.2 million USD. As per the terms of the agreement, MGX paid \$250,000 USD to the Company towards the purchase price on signing of the option agreement and must expend \$1.2 million USD on these properties during the 22-month option period.

During the year ended December 31, 2019, the Company decided to not pursue the Salinitas, Salinas Grandes property acquisition option agreement based on unsatisfactory results from the drilling program. As at September 30, 2020, the Company has an amount receivable from MGX of \$183,849 (\$134,905 USD) recorded (December 31, 2019 - \$175,215 (\$134,905 USD)) within accounts receivable on the consolidated statement of financial position. The amount receivable represents reimbursements of exploration expenditures incurred by the Company.

##### c) *Yalgogrin*

On July 17, 2020, the Company entered into a binding letter of intent ("LOI"), to acquire the Yalgogrin Gold project (the "Property" or "Project"). The Project is comprised of two exploration licences located in the historic West Wyalong gold corridor of central NSW, Australia.

Under the terms of the LOI, the Company paid AU\$30,000 for an exclusivity period of 90 days during which time the Company will undertake due diligence and the parties will finalize and enter into a definitive agreement. As part of the LOI, the vendor will be granted 2% net smelter return royalty on the first 50,000 oz production. Under the terms of the LOI, the Company will acquire a 60% interest in the Project in exchange for (i) a cash payment of AU\$275,000 on the definitive agreement date, (ii) the issuance, on the definitive agreement date, of AU\$125,000 of the Company's common shares; to acquire the remaining 40% the Company will (iii) incur exploration expenditures of AU\$750,000 in the 12 month period post the signing of the definitive agreement, and (iv) the issuance on the date that is 18 months from the Definitive Agreement date of AU\$600,000 of AIS common shares at the 20-day volume-weighted average price ("VWAP") immediately preceding such date. (Note 20)

# A.I.S. RESOURCES LIMITED

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

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### 10. Exploration and Evaluation assets (continued)

#### d) Toolleen-Fosterville

On August 24, 2020, the Company entered into a Binding Letter of Intent (“LOI”) with Providence Gold and Minerals Pty Ltd (“PGM”), to acquire the Toolleen-Fosterville Gold project (the “Property” or “Project”). The Property is comprised of an exploration licence located 3 km from the township of Toolleen, Victoria Australia and 12 km from the Kirkland Lake Fosterville gold mine. The Project is situated on freehold land and has no native title claim.

Under the terms of the LOI, AIS Resources will acquire 100% interest in the Project, by paying AU\$375,000 (AU\$100,000 paid in deposit) and issuing AIS shares equal to AU\$375,000 to the Vendor, PGM. A 1% NSR is payable on all gold production. The Company paid AU\$10,000 for an exclusivity period of 90 days during which time the Company will undertake due diligence and the parties will finalize and enter into a definitive agreement. (Note 20)

#### e) Kingston

The Kingston Gold Project (the “Property” or “Project”) located near Navarre, Victoria Australia is comprised of an exploration licence.

On September 16, 2020, the Company entered into an Option Agreement (the “Agreement”) with Connor Coote Mining (“CCM”), to acquire the Project. A 1% NSR is payable to CCM on first 50,000 oz gold production. The Company paid AU\$35,000 for an exclusivity period of 90 days during which time the Company will undertake due diligence and the parties will finalize and enter into a definitive agreement.

Under the terms of the Agreement, AIS Resources may acquire 100% interest in the Project by paying the consideration consisting of (i) cash payments of AU\$250,000; and (iii) issue upon exchange approval 4,000,000 shares of the Company and 4,000,000 share purchase warrants exercisable at \$0.15 for five years. (Note 20)

### 11. Related party transactions and balances

For the three and nine months ended September 30, 2020, the Company recorded the following transactions with related parties:

- a) \$30,000 and \$90,000 in consulting fees to a company controlled by the CEO of the Company (2019 - \$30,000 and \$110,000).
- b) \$23,625 and \$70,875 in management fees to the Chairman of the Board of Directors (2019 - \$23,625 and \$70,875).
- c) \$30,042 and \$87,137 in professional fees to a company controlled by the CFO of the Company (2019 - \$41,898 and \$134,789).
- d) \$7,500 and \$22,500 in director’s fees to a company controlled by an independent Director of the Company (2019 - \$7,500 and \$22,500).

## A.I.S. RESOURCES LIMITED

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

#### 11. Related party transactions and balances (continued)

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Compensation awarded to key management includes the following:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Short-term benefits	91,167	103,023	270,512	338,164
Stock-based compensation	98,891	284,533	98,891	284,533
<b>Total</b>	<b>190,058</b>	<b>387,556</b>	<b>369,403</b>	<b>622,697</b>

Amounts owing to related parties was as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Board Chairman for management fees	9,748	-
Director for director's fees	15,000	15,000
Director for expenses	-	71
CEO for expenses	20,330	17,582
CEO for consulting fees	82,500	50,000
CFO for professional fees	14,792	41,041
	<b>142,370</b>	<b>123,694</b>

Included in prepaid expenses are \$1,607 for expenses paid to the Chairman of the Board (December 31, 2019 - \$10,000 for management fees and \$9,196 for expenses).

At September 30, 2020, promissory notes and loans payable with an aggregate principal amount of \$10,000 and US \$56,520 were payable to a director of the Company (December 31, 2019 - \$89,000 and US \$50,000 payable to two directors of the Company). (Note 13)

#### 12. Lease Liabilities

	Office lease
	\$
Balance, December 31, 2018	-
Recognized at adoption of IFRS 16	82,380
Finance cost	7,975
Payments	(33,025)
Balance, December 31, 2019	57,330
Finance cost	3,710
Payments	(30,981)
<b>Balance, September 30, 2020</b>	<b>30,059</b>
Current lease liabilities	30,059
Non-current lease liabilities	-

## A.I.S. RESOURCES LIMITED

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

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#### 13. Promissory notes and loans payable

- a) During the year ended December 31, 2018, the Company issued a promissory note in the amount of USD \$200,000 to a third party. As consideration for the note, the Company issued bonus shares equivalent to 20% of the aggregate sum of the loan. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 8% per annum. The Company issued 545,532 bonus shares with a fair value of \$51,826 in connection with the promissory note, which was recorded against the face value of the promissory note on the date of issuance. During the year ended December 31, 2019, the Company recorded \$16,624 as interest expense on the short term debt and recorded accretion expense of \$38,195 in connection with this promissory note. During the year ended December 31, 2019, the promissory note principal of USD \$200,000 and unpaid interest of USD \$6,750 were applied into principal for a new promissory note during the year (*Note 13c*). The carrying value of this promissory note at December 31, 2019 is \$nil.
- b) During the year ended December 31, 2018, the Company issued a promissory note in the amount of USD \$175,000 to a third party. As consideration for the note, the Company issued bonus shares equivalent to 20% of the aggregate sum of the loan. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 10% per annum. The Company paid an application fee of \$5,000 USD. The Company also issued 242,596 bonus shares with a fair value of \$23,044 in connection with the promissory note, which was recorded against the face value of the promissory note on the date of issuance. During the year ended December 31, 2019, the Company recorded \$17,288 as interest expense on the short term debt and recorded accretion expense of \$11,429 in connection with this promissory note. During the year ended December 31, 2019, the promissory note principal of USD \$175,000 and unpaid interest of USD \$8,750 were applied into principal for a new promissory note during the year (*Note 13c*). The carrying value of this promissory note at December 31, 2019 is \$nil.
- c) During the year ended December 31, 2019, the Company issued a promissory note in the principal amount of USD \$390,500 to a third party. The principal comprised aggregate principal of USD \$375,000 and aggregate accrued interest of USD \$15,500 of two promissory notes issued to a third party in the year ended December 31, 2018. The note is secured against the Company's investment in Buda Juice LLC, payable one year from the date of issuance, and bears interest at a rate of 14% per annum. The Company paid a legal fee of USD \$2,500 USD and 3% loan commitment fee of USD \$11,715. During the three and nine months ended September 30, 2020, the Company recorded \$18,381 and \$56,355 (2019 - \$nil and \$nil) as interest expense on the short-term debt and recorded accretion expense of \$4,738 and \$14,110 (2019 - \$nil) in connection with this promissory note. The carrying value of this promissory note at September 30, 2020 is \$577,063 (December 31, 2019 - \$501,179).
- d) During the year ended December 31, 2019, the Company issued a promissory note in the amount of USD \$20,000 to a director of the Company. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 12% per annum. During the year ended December 31, 2019, the Company received further advances of USD \$30,000 under the promissory note. During the three and nine months ended September 30, 2020, the Company received further advances of USD \$6,520 under the promissory note and recorded \$2,305 and \$6,998 (2019 - \$357 and \$357) as interest expense. The carrying value of this promissory note at September 30, 2020 is \$84,109 (December 31, 2019 - \$66,768).
- e) During the year ended December 31, 2019, the Company issued a promissory note in the amount of \$5,000 to a director of the Company. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 12% per annum. During the year ended December 31, 2019, the Company received further advances of \$5,000 under the promissory note. During the three and nine months ended September 30, 2020, the Company recorded \$306 and \$914 (2019 - \$46 and \$46) as interest expense. The carrying value of this promissory note at September 30, 2020 is \$11,174 (December 31, 2019 - \$10,260).

## A.I.S. RESOURCES LIMITED

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

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#### 13. Promissory notes and loans payable (continued)

- f) During the year ended December 31, 2019, the Company received loan advances of \$79,000 from a director of the Company. The loan payable is unsecured, payable within one year, and bears interest at a rate of 12% per annum. During the three and nine months ended September 30, 2020, the Company recorded \$nil and \$6,265 as interest expense on the loan and repaid the load in full. The carrying value of this loan payable at September 30, 2020 is \$nil (December 31, 2019 - \$80,015).
- g) During the period ended September 30, 2020, the Company received loan advances of \$21,437 from a director of the Company. The loan payable is unsecured, payable within one year, and bears interest at a rate of 12% per annum. During the three and nine months ended September 30, 2020, the Company recorded \$400 and \$400 as interest expense on the loan and repaid the loan in full. The carrying value of this loan payable at September 30, 2020 is \$nil.

#### 14. Share capital

##### (a) Authorized

The authorized share capital of the Company is an unlimited number of shares with no par value. All issued shares, consisting only of common shares, are fully paid.

##### (b) Issued

111,888,162 common shares with a value of \$14,419,334 were outstanding at September 30, 2020 (December 31, 2019 - 83,426,366 common shares with a value of \$13,508,386).

On August 28, 2020, the Company issued 143,463 common shares in satisfaction of debt \$9,325 of indebtedness owed to a vendor.

On August 18, 2020, the Company completed a private placement comprising 27,833,333 units at \$0.03 per unit for gross proceeds of \$835,500. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share at a price of \$0.08 for a period of one year from the date of closing of the placement subject to certain accelerated expiration provisions.

On September 19, 2019, the Company completed a private placement comprising 2,322,250 units for gross proceeds of \$185,780. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share at a price of \$0.12 for a period of one year from the date of closing of the placement subject to certain accelerated expiration provisions.

On July 17, 2019, the Company completed a private placement comprising 7,100,000 units for gross proceeds of \$355,000. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share at a price of \$0.10 for a period of one year from the date of closing of the placement subject to certain accelerated expiration provisions.

## A.I.S. RESOURCES LIMITED

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For the three and nine months ended September 30, 2020

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#### 14. Share capital (continued)

##### (b) Issued (continued)

On June 11, 2019, the Company completed a private placement comprising 7,901,000 units for gross proceeds of \$395,050. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share at a price of \$0.10 for a period of one year from the date of closing of the placement subject to certain accelerated expiration provisions. The Company paid cash finder's fees totaling \$1,440 and issued 28,800 broker warrants. The broker warrants have the same terms as the private placement warrants. The fair value of the brokers warrants of \$239 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 1.70% and an expected volatility of 103.50%.

On February 26, 2019, the Company completed a private placement comprising of 12,622,222 units for gross proceeds of \$710,000. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share at a price of \$0.12 for a period of one year from the date of closing of the placement subject to certain accelerated expiration provisions. The Company paid cash finder's fees totaling \$600 and issued 10,667 broker warrants. The broker warrants have the same terms as the private placement warrants. The fair value of the brokers warrants of \$156 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 1.79% and an expected volatility of 112.23%.

##### (c) Warrants

The changes in warrants are as follows:

	Period ended September 30, 2020			Year ended December 31, 2019		
	Number of warrants	Weighted average exercise price	Weighted average life in years	Number of warrants	Weighted average exercise price	Weighted average life in years
		\$			\$	
Balance, beginning of period	29,984,939	0.11	1.21	4,505,000	0.30	0.76
Issued	27,833,833	0.08	0.88	29,984,939	0.11	1.21
Exercised	-	-	-	-	-	-
Expired	(10,262,717)	0.10	-	(4,505,000)	0.30	-
Balance, end of period	47,555,555	0.19	1.01	29,984,939	0.11	1.21

## A.I.S. RESOURCES LIMITED

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

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#### 14. Share capital (continued)

##### (c) Warrants (continued)

The following warrants are outstanding as at:

Expiry Date	September 30, 2020			December 31, 2019		
	Number of warrants	Weighted average exercise price	Weighted average life in years	Number of warrants	Weighted average exercise price	Weighted average life in years
February 26, 2020	-	\$ -	-	10,667	0.12	0.16
February 26, 2022 <sup>(1)</sup>	12,622,222	0.12	1.66	12,622,222	0.12	2.16
June 11, 2020	-	-	-	7,929,800	0.10	0.45
July 17, 2021 <sup>(2)</sup>	7,100,000	0.10	1.05	7,100,000	0.10	0.55
September 19, 2020	-	-	-	2,322,250	0.12	0.72
August 18, 2021	27,833,333	0.08	0.88	-	-	-
	47,555,555	0.09	1.01	29,984,939	0.11	1.21

<sup>(1)</sup> The warrants expiry date was extended from to February 26, 2020 to February 26, 2022

<sup>(2)</sup> The warrants expiry date was extended from to July 17, 2020 to July 17, 2021

##### (d) Stock options

On August 25, 2020, the Company granted 2,465,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.07 and a life of 5 years. The options vested immediately upon grant. The fair value of \$147,737 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 0.40% and an expected volatility of 130.24%.

On September 26, 2019, the Company granted 500,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.12 and a life of 5 years. The options vested immediately upon grant. The fair value of \$40,580 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 1.40% and an expected volatility of 120.42%.

On July 23, 2019, the Company granted 4,085,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.10 and a life of 5 years. The options vested immediately upon grant. The fair value of \$404,770 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 1.39% and an expected volatility of 115.08%.

# A.I.S. RESOURCES LIMITED

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

### 14. Share capital (continued)

#### (d) Stock options (continued)

The changes in options are as follows:

	Period months ended September 30, 2020			Year ended December 31, 2019		
	Number of Shares	Weighted average exercise price	Weighted average life in years	Number of Shares	Weighted average exercise price	Weighted average life in years
		\$			\$	
Balance, beginning of period	8,210,000	0.21	3.83	4,325,000	0.34	3.47
Granted	2,465,000	0.07	4.90	4,585,000	0.10	4.65
Exercised	(485,000)	0.08	-	-	-	-
Expired/cancelled	15,000	0.10	-	(700,000)	0.25	-
Balance, end of period	10,175,000	0.19	3.45	8,210,000	0.21	3.83

The following share options are outstanding as at:

	September 30, 2020			December 31, 2019		
Expiry Date	Outstanding	Weighted average exercise price	Weighted average life in years	Outstanding	Weighted average exercise price	Weighted average life in years
		\$			\$	
August 12, 2021	165,000	0.15	0.87	165,000	0.15	1.62
October 7, 2021	215,000	0.25	1.02	215,000	0.25	1.77
November 8, 2021	100,000	0.30	1.11	100,000	0.30	1.86
February 14, 2022	110,000	0.20	1.38	110,000	0.20	2.13
February 14, 2022	150,000	0.68	1.38	150,000	0.68	2.13
August 25, 2022	175,000	0.20	1.91	175,000	0.20	2.65
November 24, 2022	1,040,000	0.20	2.15	1,040,000	0.20	2.90
November 24, 2022	670,000	0.91	2.15	670,000	0.91	2.90
August 17, 2023	1,000,000	0.20	2.88	1,000,000	0.20	3.63
July 23, 2024	3,935,000	0.10	3.81	4,085,000	0.10	4.56
September 23, 2024	500,000	0.12	3.99	500,000	0.12	4.74
August 25, 2025	2,115,000	0.07	4.90	-	-	-
Vested and exercisable	10,175,000	0.19	3.45	8,210,000	0.21	3.83

### 15. Reserves

	Period months ended September 30, 2020	Year ended December 31, 2019
	\$	\$
Balance, beginning of period	3,148,977	2,703,232
Options issued	(34,354)	-
Warrants issued	-	395
Stock-based compensation (Note 14)	147,737	445,350
Balance, end of period	3,262,360	3,148,977

# A.I.S. RESOURCES LIMITED

## Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian dollars)

### 16. Supplemental information with respect to cash flows

	September 30, 2020	September 30, 2019
	\$	\$
Exploration expenditures in accounts payable	424,586	501,787
Exploration expenditures in accounts receivable	179,950	178,655
Shares issued for satisfaction of indebtedness	9,325	-
Shares issued for subscriptions received in prior year	-	157,650

### 17. Segmented information

The Company operated in the following segments:

	Other Investment	Exploration and Evaluation Assets	Inventory	Total
	\$	\$	\$	\$
<b>Total Assets as at:</b>				
September 30, 2020	1,206,981	168,702	-	1,375,683
December 31, 2019	1,175,221	-	59,069	1,234,290

### 18. Financial instruments and financial risk management

#### (a) Fair Value:

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments.

The fair value of the other investment is disclosed in Note 9 of the consolidated financial statements and is based on inputs that are based on other observable data – Level 2.

The Company's financial instruments as at September 30, 2020 and December 31, 2019 include cash, accounts receivable, other investment, accounts payable, due to related parties, lease liabilities and promissory notes and loans payable. The fair value of these financial instruments, approximate their carrying amounts due to their short terms to maturity.

# A.I.S. RESOURCES LIMITED

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

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### 18. Financial instruments and financial risk management (continued)

#### (b) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Cash and cash equivalent deposits are placed with financial institutions that have a high credit rating and the Company considers the credit risk on bank deposits to be insignificant. The Company considers the credit risk on accounts receivable to be low. The carrying amounts of cash and cash equivalents and accounts receivable represents the maximum exposure to credit risk.

The Company avoids complex investment vehicles with higher risk such as asset-backed commercial paper and derivatives contracts and acquires equity investments.

#### (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's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The companies, in which the Company holds shares, have varying degrees of liquidity and there is no assurance that the investment can be sold at the quoted market price. Due to the current Covid-19 Pandemic, liquidity risk has been assessed as high.

The Company maintained cash at September 30, 2020 in the amount of \$44,258 (December 31, 2019 - \$3,372), to meet short-term liabilities of \$1,336,574 (December 31, 2019 - \$1,507,850). All payables are current.

#### (d) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

#### (e) Equity price risk:

Equity price risk arises from the fluctuations in the trading price of equity securities. The Company monitors the mix of marketable securities in its investment portfolio based on market expectations. The investments are recorded at fair value which is affected by changes in the market price of the equity securities. The nature of the equity investments exposes the Company to significant equity price risks.

#### (f) Interest rate risk:

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value. The promissory notes and loans payable bear interest at fixed rates of 12% and 14%.

# A.I.S. RESOURCES LIMITED

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

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### 18. Financial instruments and financial risk management (continued)

#### (g) Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company has financial assets and liabilities denominated in the US dollar (USD) and Argentinian Pesos (ARS). The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in USD and ARS:

	September 30, 2020	December 31, 2019
	\$	\$
Financial assets		
Cash – USD	1,594	917
Cash – ARS	71	233
Accounts receivable – USD	179,950	188,700
Other investment – USD	1,206,981	1,175,221
	1,388,597	1,365,071
Financial liabilities		
Accounts payable – USD	427,575	556,640
Accounts payable – ARS	8,424	21,253
	435,999	577,893

The Company has determined that an effect of a 10% increase or decrease in the US dollar and Argentinian Pesos against the Canadian dollar on financial assets and liabilities, as at September 30, 2020, denominated in US dollars and Argentinian Pesos, would result in an increase or decrease of approximately \$95,260 to the net loss for the period ended September 30, 2020. At September 30, 2020, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

### 19. Management of capital structure

The Company considers the amount of capital it requires in proportion to the associated risks. Generally, it is the Company policy to operate with an under leveraged financial position but as conditions warrant, it may from time to time depart from this policy and use debt. Liquidity and cash management is the highest priority. Therefore, adjustments may be made to the capital structure in light of changes in economic conditions and the risk characteristics of the investment portfolio. The capital structure can be adjusted in a variety of ways as circumstances may change, including: purchasing shares for cancellation (Normal Course Issuer Bid); issuing new common and preferred shares; and increasing or repaying long-term debt. The Company's objectives when managing capital are the safeguarding of assets.

The Company's share capital is not subject to external restrictions.

The Company has not paid or declared any dividends since date of incorporation, nor are any contemplated in the foreseeable future.

### 20. Subsequent events

## A.I.S. RESOURCES LIMITED

### Notes to the Condensed Interim Consolidated Financial Statements

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- a) On October 7, 2020, the Company entered into an Option Agreement (the "Agreement") with Denis Walsh (the "vendor") to acquire the Yalgogrin Gold Project (the "Property" or "Project"). The Property is comprised of two exploration licences located in the historic West Wyalong gold corridor of central NSW, Australia. The Agreement replaces and supersedes the Binding Letter of Intent ("LOI") dated July 16, 2020 between the Company and the vendor for acquisition of the Project. The Company paid AU\$30,000 for an exclusivity period of 90 days between the LOI and the Agreement dates. The vendor will be granted 2% net smelter return royalty on the first 50,000 oz gold production.

#### *Initial Option*

Under the terms of the Agreement, the Company may acquire 60% interest in the Project by paying the consideration consisting of (i) a cash payment of AU\$275,000 (paid) upon signing of the Agreement; and (ii) the issuance of 4,000,000 of the Company's common shares (issued).

#### *Additional Option*

Under the terms of the Agreement, to acquire the remaining 40% interest the Company will (i) incur exploration expenditures of AU\$750,000 within 12 months of the Agreement date; and (ii) issue within 18 months from the Agreement date common shares of the Company for AU\$600,000 at the 20-day volume-weighted average price ("VWAP") immediately preceding the issue date

- b) On November 11, 2020, the Company entered into a Sale and Purchase Agreement (the "Agreement") with Providence Gold and Minerals Pty Ltd ("PGM"), to acquire the Toolleen-Fosterville Gold Project (the "Property" or "Project"), covering 26 sq. kilometers., located 3 km from the township of Toolleen, Victoria Australia and 12 km from the Kirkland Lake Fosterville gold mine. The Property is situated on freehold land and has no native title claim. The Agreement replaces and supersedes the Binding Letter of Intent ("LOI") dated August 21, 2020 between the Company and PSM for acquisition of the Project. A 1% NSR is payable to PGM on all gold production.

Under the terms of the Agreement, AIS Resources will acquire 100% interest in the Project by paying the consideration as follows:

- A deposit payment of AU\$100,000 (paid);
  - A payment of AU\$100,000 upon signing of the Agreement (paid);
  - A payment of AU\$175,000 within 7 days of the TSX Venture Exchange (the "Exchange") approval;
  - Issue 6,060,000 shares of the Company and 6,060,000 share purchase warrants within 7 days of the Exchange approval. Each warrant will entitle the holder to acquire one common share of the Company at a price of \$0.15 for a period of five years.
  - Incur exploration expenditures of AU\$1,000,000 within 18 months of the Agreement signing date.
- c) On November 13, 2020, the Company entered into a Sale and Purchase Agreement (the "Agreement") with Connor Coote Mining ("CCM"), to acquire the Kingston Gold Project (the "Property" or "Project") located near Navarre, Victoria Australia. The Agreement replaces and supersedes the Option Agreement ("Option") dated September 16, 2020 between the Company and CCM for acquisition of the Project. A 1% NSR is payable to CCM on first 50,000 oz gold production.

Under the terms of the Agreement, AIS Resources may acquire 100% interest in the Project by paying the consideration consisting of (i) cash payments of AU\$125,000 upon signing of the agreement (paid); (ii) cash payment of AU\$125,000 upon receiving the TSX Venture Exchange approval; and (iii) issue upon exchange approval 4,000,000 shares of the Company and 4,000,000 share purchase warrants exercisable at \$0.15 for five years.

## **A.I.S. RESOURCES LIMITED**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2020

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20. Subsequent events (continued)

- d) On August 25, 2020, the Company granted 2,465,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.07 and a life of 5 years. The options vested immediately upon grant.