

**RT MINERALS CORP.**

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019

UNAUDITED

(Expressed in Canadian Dollars)

NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These unaudited condensed interim financial statements have been prepared by management of the Company and have not been reviewed by the Company's independent auditor.

**RT MINERALS CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2020 AND 2019  
(UNAUDITED – SEE “NOTICE TO READER” BELOW)**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the periods ended August 31, 2020 and 2019.

**NOTICE TO READER OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The condensed interim consolidated financial statements of RT Minerals Corp. and the accompanying condensed interim consolidated statements of financial position as at August 31, 2020 and the condensed interim consolidated statements of comprehensive loss, statements of changes in equity and cash flows for the nine months ended August 31, 2020 and 2019 are the responsibility of the Company’s management. These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Manning Elliott LLP.

The financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards. The Audit Committee of the Board of Directors, consisting of three members, has reviewed the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

*“Donald M. Clark”*

*“Sandra Wong”*

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Donald M. Clark  
Chief Executive Officer

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Sandra Wong  
Chief Financial Officer

October 27, 2020

October 27, 2020

**RT MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)****AS AT AUGUST 31, 2020 AND 2019**

(Expressed in Canadian Dollars)

	Note	August 31, 2020 \$	November 30, 2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		779,867	5,181
Amounts receivable		5,147	1,377
Prepaid expenses		2,258	433
Deferred share issuance costs		308	4,585
		787,580	11,576
<b>Non-current assets</b>			
Exploration and evaluation assets	4	1,094,588	1,019,189
		1,882,168	1,030,765
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	102,681	52,991
Due to related parties	5, 9	76,545	70,801
		179,226	123,792
<b>Equity</b>			
Share capital	6	13,511,561	13,334,006
Share subscriptions		730,385	5,010
Reserves	6	1,736,901	1,711,001
Accumulated deficit		(14,275,905)	(14,143,044)
		1,702,942	906,973
		1,882,168	1,030,765

Nature of operations and going concern (Note 1)

Subsequent events (Note 13)

These consolidated financial statements were approved and authorized for issue by the Board of Directors on October 27, 2020 and are signed on its behalf by:

/s/ "Donald M. Clark" Director /s/ "Edmond Hatoum" Director

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

**RT MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)****FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019**

(Expressed in Canadian Dollars)

		<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>Note</b>	<b>August 31,</b>	<b>August 31,</b>	<b>August 31,</b>	<b>August 31,</b>
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>					
Employee costs	8	41,344	39,485	93,566	111,857
Finance expense	8	567	-	955	-
General and administrative expenses	8	11,005	18,451	38,339	59,114
Impairment of exploration and evaluation assets	8	-	96,450	-	96,450
<b>Total expenses</b>		<b>(52,916)</b>	<b>(154,386)</b>	<b>(132,860)</b>	<b>(267,421)</b>
<b>Other income</b>	8	<b>(1)</b>	<b>141</b>	<b>(1)</b>	<b>292</b>
<b>Net loss and comprehensive loss for the period</b>		<b>(52,917)</b>	<b>(154,245)</b>	<b>(132,861)</b>	<b>(267,129)</b>
<b>Loss per common share, basic and diluted</b>		<b>0.00</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>
<b>Weighted average number of common shares outstanding</b>		<b>16,988,963</b>	<b>12,087,963</b>	<b>16,664,167</b>	<b>12,087,963</b>

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

**RT MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

(Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital \$</b>	<b>Share Subscriptions \$</b>	<b>Reserves \$</b>	<b>Accumulated Deficit \$</b>	<b>Total \$</b>
Balance at November 30, 2018	12,087,963	13,327,053	-	1,711,001	(13,837,529)	1,200,525
Net and comprehensive loss for the period	-	-	-	-	(267,129)	(267,129)
Share issuance costs	-	(47)	-	-	-	(47)
<b>Balance at August 31, 2019</b>	<b>12,087,963</b>	<b>13,327,006</b>	<b>-</b>	<b>1,711,001</b>	<b>(14,104,658)</b>	<b>933,349</b>
Balance at November 30, 2019	12,287,963	13,334,006	5,010	1,711,001	(14,143,044)	906,973
Net and comprehensive loss for the period	-	-	-	-	(132,861)	(132,861)
Shares issued for private placement	4,501,000	135,030	-	-	-	135,030
Shares issued for warrant exercises	587,000	41,950	-	-	-	41,950
Shares issued for Norwalk	200,000	7,000	-	-	-	7,000
Share-based payments	-	-	-	25,900	-	25,900
Share issuance costs	-	(6,425)	-	-	-	(6,425)
Share subscriptions	-	-	725,375	-	-	725,375
<b>Balance at August 31, 2020</b>	<b>17,575,963</b>	<b>13,511,561</b>	<b>730,385</b>	<b>1,736,901</b>	<b>(14,275,905)</b>	<b>1,702,942</b>

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

**RT MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)****FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019**

(Expressed in Canadian Dollars)

	<b>Nine months ended</b>	
	<b>August 31,</b>	<b>August 31,</b>
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Loss for the period	(132,861)	(267,129)
Items not involving cash:		
Impairment of exploration and evaluation assets	-	96,450
Gain on disposal of investments	-	(48)
Share-based payments	25,900	-
Changes in non-cash working capital accounts:		
Amounts receivable	(3,770)	855
Prepaid expenses	(1,825)	(1,100)
Trade and other payables	(10,154)	14,249
<b>Total cash used in operating activities</b>	<b>(122,710)</b>	<b>(156,723)</b>
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(48,555)	(100)
Proceeds from sale of short-term investments	-	86,071
<b>Total cash flows provided by (used in) investing activities</b>	<b>(48,555)</b>	<b>85,971</b>
<b>Financing activities</b>		
Proceeds from share subscriptions	902,355	-
Share issuance costs	(2,148)	(47)
Advances from (repayments to) related parties	(15,756)	26,537
Demand loan received	62,500	-
Demand loan repayment	(1,000)	-
<b>Total cash flows provided by financing activities</b>	<b>945,951</b>	<b>26,490</b>
<b>Total increase (decrease) in cash during the period</b>	<b>774,686</b>	<b>(44,262)</b>
<b>Cash, beginning of period</b>	<b>5,181</b>	<b>49,104</b>
<b>Cash, end of period</b>	<b>779,867</b>	<b>4,842</b>
<b>Supplemental information</b>		
Interest paid	955	-
Income taxes paid	-	-

Refer to Note 12 for non-cash transactions incurred during the periods ended August 31, 2020 and 2019.

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

# **RT MINERALS CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 1**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

RT Minerals Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on March 9, 2007. The Company’s business activity is the exploration and evaluation of mineral properties in Canada. The Company is listed on the TSX Venture Exchange (“TSXV”), having the symbol RTM-V, as a Tier 2 mining issuer.

The address of the Company’s corporate office and principal place of business is 1100 - 595 Howe Street, Vancouver, British Columbia, Canada.

The Company has not generated revenue from operations since inception and has a working capital surplus of \$608,354 as at August 31, 2020. The Company has accumulated losses of \$14,275,905 since inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations. As the Company is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

## **2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim consolidated financial statements for the nine month period ended August 31, 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2019 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company’s 2019 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from January 1, 2019. Note 2c) sets out the impact of new standards, interpretations and amendments that have had a material effect on the financial statements.

The condensed interim financial statements were authorized for issue by the Board of Directors on October 27, 2020.

The preparation of condensed interim consolidated financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

## **RT MINERALS CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 2**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

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### **2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **a) Basis of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, RT Minerals Corp (Guyana) Inc. (“RTMG”). RTMG was incorporated in Guyana and is currently dormant. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

#### **b) Foreign Currency Translation**

The presentation currency and functional currency of the Company and its Guyana subsidiary is the Canadian dollar as this is the principal currency of the economic environment in which they operate. The Company’s Guyana subsidiary is financially and operationally dependent on the Company. The Company translates transactions in foreign currencies into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the exchange rates in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at historical rates. The resulting exchange gains or losses are recognized in comprehensive loss.

#### **c) New Accounting Standards, Interpretations and Amendments to Existing Standards**

The Company has adopted the following new accounting standards effective December 1, 2019:

##### *IFRS 16 – Leases*

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

##### *IFRIC 23 – Uncertainty over Income Tax Treatments*

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company’s 2019 annual financial statements.

# RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 3  
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019  
(Expressed in Canadian Dollars)

## 4. EXPLORATION AND EVALUATION ASSETS

	Norwalk \$	Golden Reed \$	Total \$
Balance at November 30, 2018	1,007,769	96,450	1,104,219
Exploration costs			
Drilling	1,420	-	1,420
Technical assessment	3,000	-	3,000
	4,420	-	4,420
Acquisition of property	7,000	-	7,000
Impairment of property	-	(96,450)	(96,450)
Balance at November 30, 2019	1,019,189	-	1,019,189
Exploration costs			
Administration	638	-	638
Drilling	4,506	-	4,506
Geophysical survey	480	-	480
Reports	12,225	-	12,225
Sampling	3,820	-	3,820
Technical assessment	1,250	-	1,250
	22,919	-	22,919
Acquisition of property	52,480	-	52,480
Balance at August 31, 2020	1,094,588	-	1,094,588

### a) Norwalk Property (Wawa, Ontario)

On September 20, 2016, the Company signed an option agreement (the “Option Agreement”) to acquire a 100% interest, subject to a 2% retained royalty, in the Norwalk gold property located six kilometres south of the town of Wawa, Ontario. The Company may earn its interest in the property by paying an initial consideration of \$5,000 (paid) and issuing 20,000 common shares of the Company (issued on October 5, 2016 with a fair value of \$18,000) upon receipt of TSXV approval of the Option Agreement (the “Acceptance Date”) (approved October 5, 2016); and making additional optional payments of:

- i. \$15,000 (paid) and 10,000 common shares (issued on October 5, 2017 with a fair value of \$6,000) on the first anniversary of the Acceptance Date;
- ii. \$25,000 (paid) and 100,000 common shares (issued on October 5, 2018 with a fair value of \$7,000) on the second anniversary of the Acceptance Date; and
- iii. \$45,000 and 100,000 common shares on the third anniversary of the Acceptance Date.

On September 20, 2019, as further amended on November 21, 2019, the Company amended the Option Agreement to extend the final option payment to the following:

- i. \$3,000 (paid) work fee on or before November 21, 2019;
- ii. 200,000 common shares (issued on November 20, 2019 with a fair value of \$7,000) on or before November 28, 2019;
- iii. \$22,500 (paid) on or before December 16, 2019; and
- iv. \$22,500 (paid) and 200,000 common shares (issued on December 19, 2019 with a fair value of \$7,000) on or before March 31, 2020.

On March 31, 2020, the Company completed the final option payment to earn 100% interest, subject to retained royalty, in the Norwalk gold property.

## **RT MINERALS CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 4**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

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### **5. LOANS PAYABLE**

On November 21, 2019, the Company received a non-interest bearing demand loan of \$1,000 from a director, which was repaid on December 23, 2019.

On March 31, 2020, the Company received a demand loan of \$22,500 from a director that bears interest at 10% per annum. The principal amount of \$22,500 along with accrued interest of \$955 is included in due to related parties at August 31, 2020 and was repaid on September 1, 2020.

On April 30, 2020, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the amount of \$40,000. The CEBA is a government guaranteed loan of up to \$40,000 that is interest-free until December 31, 2022. The loan is available to help businesses with operating costs during COVID-19. Twenty-five percent of the loan amount (\$10,000) is eligible for forgiveness as long as the business pays back \$30,000 on or before December 31, 2022. If the business cannot pay back the loan by December 31, 2022, it can be converted into a 3-year term loan at an interest rate of 5%.

### **6. SHARE CAPITAL AND RESERVES**

#### **a) Common Shares**

The Company is authorized to issue an unlimited number of common shares without par value.

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The Company issued the following common shares during the period ended August 31, 2020:

- i) On December 19, 2019, the Company completed a non-brokered private placement consisting of 4,501,000 units priced at \$0.03 per unit for total proceeds of \$135,030. Each unit consists of one common share and one half of a common share purchase warrant, with each whole warrant exercisable at a price of \$0.05 per share for a one-year term. All securities issued were subject to a hold period expiring April 20, 2020. The Company received \$5,010 of share subscriptions for this private placement as of November 30, 2019.
- ii) On December 19, 2019, the Company issued 200,000 common shares with a fair value of \$0.035 per share pursuant to the Norwalk property option described in Note 4(a).
- iii) On August 31, 2020, the Company issued 420,000 common shares priced at \$0.08 per share for proceeds of \$33,600 and 167,000 common shares priced at \$0.05 per share for proceeds of \$8,350 pursuant to warrant exercises.

The Company issued the following common shares during the year ended November 30, 2019:

- iv) On November 20, 2019, the Company issued 200,000 common shares with a fair value of \$0.035 per share pursuant to the Norwalk property option described in Note 4(a).

# RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 5  
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019  
(Expressed in Canadian Dollars)

## 6. SHARE CAPITAL AND RESERVES (CONTINUED)

### b) Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares. No preferred shares have been issued since the Company's inception.

### c) Reserves

	August 31, 2020 \$	November 30, 2019 \$
Fair value of warrants issued	304,725	304,725
Fair value of stock options granted or vested	1,432,176	1,406,276
Reserves	1,736,901	1,711,001

### d) Share Purchase Warrants

A summary of the Company's share purchase warrants at August 31, 2020 and 2019 and the changes for the periods then ended is presented below:

	Number of Warrants	Weighted Average Exercise Price
Balance at November 30, 2018	7,907,300	\$0.17
Expiry of warrants	(838,400)	\$0.89
Balance at November 30, 2019	7,068,900	\$0.08
Issue of warrants	2,250,500	\$0.05
Exercise of warrants	(587,000)	\$0.07
Expiry of warrants	(3,580,000)	\$0.08
Balance at August 31, 2020	5,152,400	\$0.07

As at August 31, 2020, the Company had outstanding and exercisable warrants as follows:

Number of Warrants Outstanding and Exercisable		Exercise Price per Share	Expiry Date
August 31, 2020	November 30, 2019		
-	4,000,000	\$0.08	August 31, 2020
3,000,000	3,000,000	\$0.08	September 7, 2020
2,083,500	-	\$0.05	December 19, 2020
68,900	68,900	\$0.50	May 16, 2021
5,152,400	7,068,900	\$0.08	

## RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 6  
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019  
(Expressed in Canadian Dollars)

### 7. SHARE-BASED PAYMENTS

#### a) Option Plan Details

The Company has an incentive Stock Option Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The Plan was approved by the Board on March 21, 2011, was approved by the Company’s shareholders on April 29, 2011, and came into effect on August 5, 2011 upon acceptance by the TSXV of the Company’s listing application and commencement of trading on the TSXV. The Plan provides for the issuance of options to acquire shares of the Company up to 10% of the then issued and outstanding shares of the Company. It incorporates the new TSXV option plan policies effective December 15, 2008, as well as provisions concerning the new requirements of the Canada Revenue Agency concerning withholding tax payments on exercised options, and provisions to accommodate electronic trading and the issuance of uncertificated shares.

A summary of the Company’s stock options at August 31, 2020 and November 30, 2019 and the changes for the periods then ended is presented below:

	August 31, 2020		November 30, 2019	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	157,000	\$0.50	207,000	\$0.50
Granted	800,000	\$0.06	-	-
Expired	(157,000)	\$0.50	-	-
Cancelled	-	-	(50,000)	\$0.50
Ending balance	800,000	\$0.06	157,000	\$0.50

Details of stock options outstanding and exercisable as at August 31, 2020 and November 30, 2019 are as follows:

Expiry Date	Exercise Price	August 31, 2020	November 30, 2019
February 14, 2020	\$0.50	-	95,000
March 7, 2020	\$0.50	-	62,000
July 3, 2022	\$0.06	800,000	-
		800,000	157,000

The weighted average remaining contractual life of stock options outstanding at August 31, 2020 was 1.84 years (November 30, 2019: 0.23 years).

#### b) Fair Value of Options Issued During the Period

The weighted average fair value at grant date of options granted during the period ended August 31, 2020 was \$0.032 per option (2019: \$nil). The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

# RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 7  
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019  
(Expressed in Canadian Dollars)

## 7. SHARE-BASED PAYMENTS (CONTINUED)

### b) Fair Value of Options Issued During the Period (continued)

	2020	2019
Expected stock price volatility	104%	-
Risk-free interest rate	0.27%	-
Dividend yield	-	-
Expected life of options	2 years	-
Stock price on date of grant	\$0.06	-
Forfeiture rate	-	-

## 8. NATURE OF INCOME AND EXPENSES

	2020	2019
	\$	\$
Other income and expenses include:		
Gain (loss) on foreign exchange	(1)	6
Interest income	-	238
Gain on sale of short-term investments	-	48
	(1)	292
Employee costs include:		
Consulting fees	3,917	6,852
Salaries and benefits	63,749	105,005
Share-based payments	25,900	-
	93,566	111,857
General and administrative expenses include:		
Accounting and audit fees	1,225	431
Filing fees	9,110	6,731
Investor communications	765	3,221
Legal fees	5,326	14,166
Office expenses	12,459	14,392
Transfer agent	3,538	3,157
Travel and automobile	5,916	17,016
	38,339	59,114

## 9. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

### a) Office Expenses

Office expenses of \$778 (2019: \$445) were charged by a company with a common officer that shares office premises. At August 31, 2020, \$429 (November 30, 2019: \$128) in amounts owing to the co-tenant were included in due to related parties.

## RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 8  
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019  
(Expressed in Canadian Dollars)

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### 9. RELATED PARTY TRANSACTIONS (CONTINUED)

#### b) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company. Key management personnel compensation is comprised of the following:

	2020	2019
	\$	\$
Short-term employee benefits and director fees	61,985	103,535
Share-based payments	6,475	-
	<u>68,460</u>	<u>103,535</u>

The Company has entered into an Officer and Consulting Agreement (the “Officer Agreement”) with the Company’s Chairman, Chief Executive Officer and President (the “President”) effective September 1, 2018 for the duration that he serves as an officer to the Company. As compensation for the services to be provided, the President will receive a monthly salary of \$8,000 with a provision for severance of \$80,000 in the event that the Agreement is terminated or not renewed. On May 31, 2020, the Officer Agreement was amended to reduce the monthly salary to \$900 effective March 15, 2020 until the earlier of September 30, 2020 or when the Company successfully completes an equity financing in the minimum amount of \$200,000. Should the Company successfully complete an equity financing in the minimum amount of \$200,000 due to the efforts of the President, then the President shall be paid a bonus in the amount of the consideration that he would have earned under the Officer Agreement had the salary reduction not been enacted. During the period ended August 31, 2020, the Company recorded \$34,985 (2019: \$76,535) in salary and taxable benefits payable to the President.

The Company has entered into an Employment Agreement (the “Agreement”) with the Company’s Chief Financial Officer effective December 1, 2018 for a twelve-month term ending November 30, 2019 that was subsequently amended to no fixed term. As compensation for the services to be provided, the Chief Financial Officer will receive a monthly fee of \$3,000 with a provision for severance of \$20,000 in the event that the Agreement is terminated or not renewed. During the period ended August 31, 2020, the Company recorded \$27,000 (2019 - \$27,000) in salary payable to the Chief Financial Officer.

Due to related parties at August 31, 2020 includes \$76,117 (November 30, 2019: \$70,673) in amounts owing to directors and officers for unpaid salaries, consulting fees, expenses and demand loans.

#### b) Demand Loan

On November 21, 2019, the Company received a non-interest bearing demand loan of \$1,000 from a director that was repaid on December 23, 2019.

On March 30, 2020, the Company received a demand loan of \$22,500 bearing interest at a rate of 10% per annum from a director that was repaid on September 1, 2020 with interest of \$955.

## RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 9  
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019  
(Expressed in Canadian Dollars)

### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### *Fair values*

The Company's financial instruments includes cash, short-term investments, amounts receivable, trade and other payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the relative short-term maturity of these instruments.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

	August 31, 2020		November 30, 2019	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	\$	\$	\$	\$
FVTPL assets (i)	779,867	779,867	5,181	5,181
Amortized cost liabilities (ii)	179,226	179,226	108,792	108,792

(i) Cash

(ii) Trade and other payable and due to related parties

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at August 31, 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	779,867	-	-	779,867

The Company believes the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates.

The Company's financial instruments are exposed to certain financial risks: credit risk, liquidity risk, market risk and currency risk.

#### *Credit risk*

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts and other receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash and cash equivalents. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk the Company only holds its cash and term deposits with high credit chartered Canadian financial institutions. As at August 31, 2020, the Company has no financial assets that are past due or impaired due to credit risk defaults.

## RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 10  
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019  
(Expressed in Canadian Dollars)

### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payable and amounts due to related parties. The Company has a working capital surplus of \$608,354 as at August 31, 2020 and requires additional financing for operations and meet its current obligations. The Company handles its liquidity risk through the management of its capital structure as described in Note 11. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms.

The following are the contractual maturities of financial liabilities as at August 31, 2020:

	Carrying Amount \$	Contractual Cash Flows \$	Within 1 year \$	Within 2 years \$	Within 3 years \$	Over 3 years \$
Trade payables	102,681	102,681	102,681	-	-	-
Due to related parties	76,545	76,545	76,545	-	-	-
Total	179,226	179,226	179,226	-	-	-

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets and cause fluctuations in the fair value of future cash flows for assets or liabilities. The Company is not exposed to significant interest rate risk as the Company has no fluctuating interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

#### *Currency risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currencies. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's Guyana subsidiary is exposed to currency risk as it incurs expenditures that are denominated in US dollars while its functional currency is the Canadian dollar.

#### *Pandemic risk*

The outbreak and spread of a novel coronavirus (COVID-19), declared a pandemic by the World Health Organization, has already had significant human, political, and economic consequences around the world. The coronavirus is still evolving, and its full impact remains to be determined. However, its wide-ranging effects include financial market volatility, interest rate cuts, disrupted movement of people and goods, and diminished consumer confidence. The effects of the coronavirus may be difficult to assess or predict with meaningful precision both generally and as an industry- or issuer-specific basis. This is an uncertain issue where actual effects will depend on many factors beyond the control and knowledge of the Company.

# RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 11  
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019  
(Expressed in Canadian Dollars)

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## 11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can support continued development of its exploration and evaluation assets, pursue the acquisition and exploration of other mineral interests, and to maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

The Company considers items included in equity to be capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, option its properties for cash from optionees, enter into joint venture arrangements, return capital to its shareholders or adjust the amount of cash.

## 12. NON-CASH TRANSACTIONS

Non-cash Financing and Investing Activities	2020	2019
	\$	\$
Shares issued for mineral properties	7,000	-

## 13. SUBSEQUENT EVENTS

### a) Private Placements

On September 1, 2020, the Company completed a non-brokered private placement consisting of 14,000,000 units priced at \$0.05 per unit for total proceeds of \$700,000. Each unit consists of one common share and one common share purchase warrant exercisable at a price of \$0.07 per share for a three-year term. All securities issued were subject to a hold period expiring January 2, 2021. The Company received \$505,160 of share subscriptions for this private placement as of August 31, 2020. Finders fees of \$56,000 (8% cash), an administrative fee of \$2,801 and 1,120,000 share purchase warrants (8% of the number of units sold) were paid on this private placement. The finder's warrants are exercisable at \$0.08 per common share for a term of three years.

On September 1, 2020, the Company completed a non-brokered private placement consisting of 5,941,500 flow-through units priced at \$0.07 per flow-through unit for total proceeds of \$415,905. Each flow-through unit consists of one flow-through common share and one-half of one common share purchase warrant, with each whole warrant exercisable at a price of \$0.08 per share for a three-year term. All securities issued were subject to a hold period expiring January 2, 2021. The Company received \$225,225 of share subscriptions for this private placement as of August 31, 2020. Finders fees of \$17,200 (8% cash) and 245,720 share purchase warrants (8% of the number of units sold) were paid on a portion of this private placement. The finder's warrants are exercisable at \$0.08 per common share for a term of three years.

## **RT MINERALS CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) – Page 12**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

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### **13. SUBSEQUENT EVENTS**

#### **b) Warrant Exercise**

On September 1, 2020, the Company issued 1,850,000 common shares through the exercise of 1,850,000 warrants at a price of \$0.05 per share for total proceeds of \$92,500.

#### **c) Stock Options**

On September 4, 2020, the Company granted 400,000 stock options with an exercise price of \$0.08 per share exercisable for a two year term to a consultant.

#### **d) Warrant Expiry**

On September 7, 2020, 3,000,000 warrants with an exercise price of \$0.08 per share expired unexercised.

#### **e) Link-Catharine RLDZ Property (Kirkland Lake, Ontario)**

On September 28, 2020, the Company signed an option agreement (the “Option Agreement”) to acquire a 100% interest, subject to a 2% retained royalty, in the Link-Catharine RLDZ gold property located twenty-five kilometres south south-east of the town of Kirkland Lake, Ontario. The Company may earn its interest in the property by paying an initial consideration of \$15,000 (paid), issuing 250,000 common shares of the Company (issued on October 7, 2020 with a fair value of \$22,500) upon receipt of TSXV approval of the Option Agreement (the “Acceptance Date”) (approved October 7, 2020) and incurring \$100,000 in exploration expenditures within four months of the Acceptance Date; and making additional optional payments of:

- i. \$20,000 and 250,000 common shares on or before the first anniversary of the Acceptance Date;
- ii. \$25,000, 250,000 common shares and \$100,000 in exploration expenditures on or before the second anniversary of the Acceptance Date;
- iii. \$25,000, 250,000 common shares and \$200,000 in exploration expenditures on or before the third anniversary of the Acceptance Date;
- iv. \$30,000, 250,000 common shares and \$200,000 in exploration expenditures on or before the fourth anniversary of the Acceptance Date; and
- v. \$85,000, 700,000 common shares and \$400,000 in exploration expenditures on or before the fifth anniversary of the Acceptance Date.