



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Unaudited - Expressed in Canadian Dollars)

<u>Index</u>	<u>Page</u>
Notice of No Auditor Review	1
Condensed Consolidated Interim Financial Statements	
Condensed Consolidated Interim Statements of Financial Position	2
Condensed Consolidated Interim Statements of Comprehensive Loss	3
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity	4
Condensed Consolidated Interim Statements of Cash Flows	5
Notes to the Condensed Consolidated Interim Financial Statements	6 - 20

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

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

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

	Note	September 30, 2019	March 31, 2019
ASSETS		\$	\$
Current			
Cash		459,468	48,427
Accounts receivable		83,381	10,462
Prepaid expenses		129,941	31,595
		672,790	90,484
Non-Current			
Exploration and evaluation assets	3, 5	2,286,408	1,823,919
		2,959,198	1,914,403
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6(b)	213,205	343,295
Due to related parties	6(b)	-	14,678
Flow-through share premium liability	4	25,472	51,348
		238,677	409,321
Non-Current			
Due to related parties	6(b)	682,071	574,489
		920,748	983,810
SHAREHOLDERS' EQUITY			
Share capital	5	15,847,187	13,085,464
Share-based payment reserve	5(e)	708,436	619,307
Deficit		(14,517,173)	(12,774,178)
		2,038,450	930,593
		2,959,198	1,914,403

Approved on behalf of the Board:

"Mike Rowley", Director

"Bill Harris", Director

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE
LOSS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 and 2018
(Unaudited)
(Expressed in Canadian Dollars)

	Note	Three months ended September 30,		Six months ended September 30,	
		2019	2018	2019	2018
		\$	\$	\$	\$
Expenses					
Consulting	6(a)	178,746	78,670	247,727	144,957
Exploration expenditures	3, 6(a)	1,091,186	712,366	1,202,637	1,012,761
Investor relations and corporate development	6(a)	117,728	59,713	208,319	170,434
Office and administration	6(a)	16,964	30,260	25,382	44,109
Professional fees		15,650	154,501	30,187	177,246
Share-based payment expense	5(e), 6(a)	50,266	53,947	93,192	103,245
Transfer agent, regulatory and filing fees		5,032	25,894	7,897	30,307
Travel and accommodation		1,701	7,267	2,024	10,758
		<u>1,477,273</u>	<u>1,122,618</u>	<u>1,817,365</u>	<u>1,693,817</u>
Other Item					
Other income	4	<u>(23,599)</u>	<u>(16,309)</u>	<u>(25,876)</u>	<u>(50,100)</u>
Net loss and comprehensive loss for the period					
		<u>(1,453,674)</u>	<u>(1,106,309)</u>	<u>(1,791,489)</u>	<u>(1,643,717)</u>
Basic and diluted loss per share					
		\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.04)
Basic and diluted weighted average number of shares outstanding					
		71,858,709	47,502,109	66,478,292	46,230,296

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

(Expressed in Canadian Dollars)

	Note	Number of shares	Share capital \$	Share-based payments reserve \$	Deficit \$	Total \$
Balance, March 31, 2018		44,759,143	10,786,259	434,575	(10,209,844)	1,010,990
Net loss for the period		-	-	-	(1,643,717)	(1,643,717)
Shares issued for properties	5(b)	2,371,428	425,428	-	-	425,428
Shares issued pursuant to exercise of warrants	5(b)	973,500	104,240	-	-	104,240
Shares issued pursuant to FT private placement, net of share issue costs		2,875,000	517,500	-	-	517,500
Share-based payment expense	5(e)	-	-	103,245	-	103,245
Balance, September 30, 2018		50,979,071	11,833,427	537,820	(11,853,561)	517,686
Net loss for the period		-	-	-	(920,617)	(920,617)
Shares issued for properties		328,571	53,214	-	-	53,214
Private placements net of share issue costs		8,000,000	1,173,503	-	-	1,173,503
Shares issued pursuant to exercise of warrants		52,500	25,320	-	-	25,320
Share-based payment expense		-	-	81,487	-	81,487
Balance, March 31, 2019		59,360,142	13,085,464	619,307	(12,774,178)	930,593
Net loss for the period		-	-	-	(1,791,489)	(1,791,489)
Shares issued pursuant to FT private placement, net of share issue costs	5(b)	17,105,140	2,227,223	44,431	-	2,271,654
Shares issued for properties	3, 5(b)	1,500,000	188,500	-	-	188,500
Shares issued pursuant to exercise of warrants	5(b)	2,883,334	346,000	-	-	346,000
Share-based payment expense	5(e)	-	-	93,192	-	93,192
Reclass of cancelled stock options	5(e)	-	-	(48,494)	48,494	-
Balance, September 30, 2019		80,848,616	15,847,187	708,436	(14,517,173)	2,038,450

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

	Note	Three months ended September 30,		Six months ended September 30,	
		2019	2018	2019	2018
		\$	\$	\$	\$
Operating Activities					
Net loss for the period		(1,453,674)	(1,106,309)	(1,791,489)	(1,643,717)
Items not involving cash:					
Other income		(23,599)	(16,309)	(25,876)	(50,100)
Share-based payment expense		50,266	53,947	93,192	103,245
		(1,427,007)	(1,068,671)	(1,724,173)	(1,590,572)
Net change in non-cash working capital	7	(184,999)	611,358	(301,355)	867,053
Cash used in operating activities		(1,612,006)	(457,313)	(2,025,528)	(723,519)
Investing Activity					
Acquisition of exploration and evaluation assets	3, 7	(273,989)	(160,969)	(273,989)	(207,138)
Cash used in investing activity		(273,989)	(160,969)	(273,989)	(207,138)
Financing Activities					
Proceeds received from private placement	5(b)	2,394,720	575,000	2,394,720	575,000
Share issue costs	5(b)	(123,066)	-	(123,066)	-
Proceeds received from short-term loan		-	50,000	-	50,000
Proceeds on exercise of warrants	5(b)	24,000	34,080	346,000	104,240
Amounts received from (payments to) related parties	6(b)	(35,202)	-	92,904	-
Cash provided by financing activities		2,260,452	659,080	2,710,558	729,240
Net increase (decrease) in cash		374,457	40,798	411,041	(201,417)
Cash, beginning of period		85,011	28,025	48,427	270,240
Cash, end of period		459,468	68,823	459,468	68,823

Supplemental cash flow information (Note 7)

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Group Ten Metals Inc. (the “**Company**”), was incorporated on April 28, 2006, under the laws of British Columbia, Canada. The Company’s principal business activities include the acquisition and exploration of mineral properties.

The Company’s registered office is 904-409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company’s current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company’s mineral properties does not reflect current or future value.

These condensed consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2019, the Company had working capital of \$434,113 (March 31, 2019: working capital deficiency of \$318,837), an accumulated deficit of \$14,517,173 (March 31, 2019: \$12,774,178) and a net loss of \$1,791,489 for the six months ended September 30, 2019 (2018: \$1,643,717). As at September 30, 2019, the Company’s current assets consisting of cash, receivables and prepaid expenses totaled \$672,790 (March 31, 2019: \$90,484). In addition, the Company’s current liabilities included a flow-through premium liability of \$25,472 (March 31, 2019: \$51,348) which is a non-cash item. Also, subsequent to September 30, 2019, the Company completed a private placement for gross proceeds of \$2,472,000 (see Note 12). The Company also has the right to accelerate the exercise of certain of its outstanding warrants that could bring in up to \$2,467,306 in proceeds to the Company ahead of the warrants’ February 27, 2020 expiry dates.

As at September 30, 2019, the Company may not have sufficient working capital to meet its administrative overheads and continue with its exploration programs. The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company’s ability to execute its business plan. To finance future activities, the Company will be required to enter into joint venture agreements and/or issue share capital, through private placements and the exercise of options and warrants, and is actively seeking additional equity financing. There can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company and, therefore, a material uncertainty exists that may cast significant doubt over the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* (“**IAS 34**”) as issued by the International Accounting Standards Board (“**IASB**”) using accounting principles consistent with International Financial Reporting Standards (“**IFRS**”) as issued by the IASB and include the accounts of the Company and its wholly-owned subsidiaries Yankee Girl Resources Corp., incorporated in British Columbia, Canada, Group Ten (USA) Inc., incorporated in Delaware, USA, Group Ten (Alaska) Inc., incorporated in Alaska, USA and 1161932 B.C. Ltd., incorporated in British Columbia. All inter-company transactions and balances have been eliminated upon consolidation.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2019 which include the accounting policies used in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Board of Directors (the "**Board**") approved these condensed consolidated interim financial statements on November 29, 2019.

3. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation acquisition costs for the six months ended September 30 were as follows:

	Montana	Yukon	Alaska	Ontario		
	Stillwater West	Yukon Properties	Duke Island	Drayton	Black Lake	Total
	\$	\$	\$	\$	\$	\$
Balance, March 31, 2019	856,161	493,088	85,730	62,510	326,430	1,823,919
Cash payments	93,100	28,000	-	-	-	121,100
Licensing & maintenance costs	142,699	-	10,190	-	-	152,889
Shares issued	112,500	76,000	-	-	-	188,500
Balance, September 30, 2019	1,204,460	597,088	95,920	62,510	326,430	2,286,408

a) Stillwater West (Montana, United States)

On June 26, 2017, the Company entered into an option agreement to acquire a 100% interest in the Stillwater West Project from Picket Pin Resources LLC, a private entity, consisting of 282 claims in south central Montana, USA, covering approximately 22 square kilometers ("**km²**") in two claim groups. In consideration, the Company has agreed to:

- Issue a total of 3.6 million shares of the Company beginning with 900,000 shares within ten days of regulatory approval (issued) and 900,000 shares on or before May 31 of each of 2018 (issued), 2019 (issued May 30, 2019) and 2020;
- Make United States dollars ("**USD**") \$40,000 in cash payments with USD20,000 on or before each of May 31, 2018 (paid) and 2019 (paid);
- Make advance royalty payments until commencement of commercial production of USD15,000 within ten days of regulatory approval (paid), USD30,000 on or before May 31, 2018 (paid) and USD50,000 on or before May 31, 2019 (paid) and annually thereafter; and
- Execute a work contract for a minimum of USD\$50,000 per year for the duration of the option agreement for technical and management work, which is three years.

Pursuant to further staking from November 2017 to July 2018, the Company's land holdings at the Stillwater West Project have increased to approximately 54 km².

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

a) Stillwater West (Montana, United States) (continued)

The claims are subject to a 2% Net Smelter Return royalty (“NSR”) and the Company has an option to buy down the NSR to 1%.

b) Yukon Properties (Kluane PGE-Ni-Cu Project)

The Company has option agreements to acquire a 100% interest in four platinum group properties totaling over 254 km² in the Kluane Ultramafic Belt in southwestern Yukon, and together comprise the Kluane PGE-Ni-Cu Project. Terms of the agreements are as follows:

CKR

The Company owns a 100% interest in the claims.

Spy

The Company owns a 100% interest in the Spy property.

The Spy claims are subject to a 3% NSR and the Company has an option to buy the NSR down to 1%.

Catalyst

In order to obtain a 100% interest in the Catalyst property, the Company's remaining commitment is to issue 300,000 common shares to Denali Resources Ltd. on or before July 31, 2019 (outstanding).

Certain claims on the Catalyst property are subject to a 3% NSR and the Company has an option to buy the NSR down to 1%.

Ultra

In July 2018, the Ultra property option agreement was amended to remove the remaining earn-in requirements, being exploration expenditure commitments totaling \$950,000. As a result, effective July 2018, the Company owns a 100% interest in the Ultra property.

In July 2018, the Company acquired a 100% interest in 24 additional claims adjoining the Ultra property from two arms-length private vendors in exchange for 100,000 common shares of the Company.

The claims are subject to a 2% NSR and the Company has an option to buy the NSR down to 1%.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

b) Yukon Properties (Kluane PGE-Ni-Cu Project) (continued)

Ultra (continued)

On July 25, 2019, the Company announced it had signed a definitive earn-in agreement (the "**Agreement**") with Mount Cairnes Resources Corp. ("**Mount Cairnes**"), whereby Mount Cairnes can earn a 51% interest in the Company's Ultra property, over a four-year period, by making cash payments totaling \$750,000, issuing 3,000,000 common shares of Mount Cairnes to the Company and completing \$3,750,000 in exploration work commitments on the Ultra property, with the Company as the operator. The initial cash payments and share issuances made under the Agreement are required within 15 days of completion by Mount Cairnes of a listing of its common shares on a Canadian stock exchange, and subsequent obligations are due on the anniversaries of the listing date.

c) Duke Island (Alaska, United States)

The Company owns a 100% interest in 31 unpatented mineral claims located on Duke Island, Alaska. Pursuant to an agreement dated August 28, 2015, the only remaining commitment for the Company is a requirement for geological and/or geophysical work from a specified vendor which may be completed on any of the Company's properties. The claims are subject to a 1% NSR.

d) Drayton (Ontario, Canada)

On April 27, 2018, the Company earned a 100% interest in mineral claims covering 1,983 hectares located in the Patricia Mining Division near Sioux Lookout, Ontario, by issuing a final share issuance of 142,857 common shares to the vendor.

Upon commencement of commercial production, the claims are subject to a 1% NSR with no buy-down provision, and an additional 3% NSR with the Company having an option to buy the NSR down to 1.5%.

e) Black Lake (Ontario, Canada)

(i) In September 2018 the Company earned a 100% interest in mineral claims covering 2,430 hectares located in the Patricia Mining Division near Sioux Lookout, Ontario, by completing a cash payment of \$59,000 per an amended earn-in agreement.

As a result, the Company now owns a 100% interest in the claims, which are subject to a 2% NSR upon commencement of commercial production. The Company has an option to buy down the NSR to 1%.

(ii) To further consolidate the area between the Black Lake and Drayton properties, the Company:

- a. entered into an option agreement to earn an undivided 100% interest in mineral claims covering 1,224 hectares. In August 2018 the Company completed the earn-in by issuing 200,000 shares to complete all remaining payments and remove the 1% NSR royalty per an amended earn-in agreement. As a result, the Company now owns a 100% interest in the claims, with no royalty obligation.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

e) Black Lake (Ontario, Canada) (continued)

- b. entered into an option agreement to earn an undivided 100% interest in mineral claims covering 441 hectares. On April 18, 2017, the option agreement was amended to remove \$1.25 million of work commitments that were a component of the original agreement. As consideration for the removal of the work requirement, the Company agreed to issue 100,000 additional common shares per year in each of 2017, 2018 and 2019. On March 11, 2019, the Company completed its final obligation per the option agreement, as amended, via the issuance of 128,571 common shares. As a result, the Company now owns a 100% interest in the claims.

The claims are subject to a 3% NSR upon commencement of commercial production and the Company has an option to buy the NSR down to 2%.

f) Yankee Dundee / Ronoke / Warkentin (British Columbia, Canada)

Yankee Dundee consists of 26 Crown-granted mineral claims located in the Nelson Mining District near Ymir, British Columbia.

On June 25, 2013, the Company closed the sale of its interests and obligations in the properties to Armex Mining Corp. (“**Armex**”) in exchange for advance royalty payments, royalty payments, and production payments. Due to uncertainty surrounding completion of the transaction, the Company did not initially recognize the transaction as a sale.

Ronoke and Warkentin are also located in the Nelson Mining District. Subsequent to the sale agreement, all non-core Ronoke claims were allowed to lapse. Additionally, non-core Warkentin claims were allowed to lapse and the property now consists of nil mineral claims (2015 - 9 mineral claims).

The remaining terms of the agreement are as follows:

- (i) Armex is to pay remaining advance royalty payments of:
- \$50,000 on or before August 28, 2015 (unpaid); and
 - \$50,000 on or before August 28, 2016 (unpaid) and annually thereafter until the commencement of commercial production.
- (ii) Armex is to pay production and additional payments of:
- \$250,000 upon the commencement of commercial production;
 - \$250,000 upon the first anniversary of commencement of commercial production; and
 - additional production payments aggregating \$1,000,000 payable from 30% of net revenues as defined in the agreement.

Armex has the right to satisfy the production and additional payments by paying the aggregate sum of \$1,250,000 any time during the first year of commercial production.

Armex will also assume all obligations per existing underlying option agreements with respect to the Yankee Dundee claims which consist of a 1% NSR upon commencement of commercial production until the recovery of the lesser of aggregate expenditures incurred and \$5,000,000, after such time, the NSR will increase to 2.5%. At any time up to the commencement of commercial production, an option is available to purchase 1.5% of the NSR for \$500,000 and the remaining 1% for \$500,000.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

f) Yankee Dundee / Ronoke / Warkentin (British Columbia, Canada) (continued)

The Company will also be entitled to a 2.5% NSR upon commencement of commercial production, with Armex holding the right to repurchase the royalty at any time on the basis of \$1,000,000 for each 1%. In addition, the Company retains back-in rights pursuant to the agreement by which it can re-acquire the property in the event specific production milestones are not met.

Armex disputes the overdue advance royalty payments that were payable on or before August 28, 2015, 2016, 2017 and 2018. As the Company believes that the financial situation of Armex has deteriorated to an extent that precludes it from completing the sale agreement, the capitalized costs relating to Yankee Dundee have been reduced to \$Nil.

g) Outpost/Pacer (Yukon Territory, Canada)

In May 2018, the Company completed an option agreement with an arms-length party whereby the Company can earn a 100% interest in the Outpost and Pacer properties which consist of three claim blocks in the Yukon Territory, totaling approximately 25km². In consideration, the Company has agreed to:

- Make an initial cash payment of \$8,000 (paid) and issue 200,000 common shares of the Company (issued August 7, 2018);
- Complete \$30,000 of work expenditures (satisfied), make a cash payment of \$20,000 (paid on August 29, 2019) and issue 400,000 common shares of the Company on or before the first anniversary of signing (issued May 30, 2019); and
- Complete an additional \$105,000 of work expenditures (partially satisfied) and issue 500,000 common shares of the Company on or before the second anniversary of the acceptance of this agreement.

The claims will be subject to a 2% NSR and the Company will have the option to buy down the NSR to 1%.

h) Ellen (Yukon Territory, Canada)

In August 2018, the Company completed an agreement with an arms-length party whereby the Company earned a 100% interest in the Ellen property, which consists of 72 claims totaling approximately 13km² in the Yukon Territory, by making a cash payment of \$3,200 and issuing 600,000 common shares of the Company.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and Evaluation Expenditures

Exploration expenditures incurred for the six months ended September 30, 2019 were as follows:

	Stillwater West	Yukon Properties	Duke Island	Drayton	Black Lake	Total
Analysis	2,614	19,442	-	-	-	22,056
Camp	37,487	11,949	-	-	-	49,436
Drilling	401,381	-	-	-	-	401,381
Equipment	124,928	6,453	-	-	-	131,381
Consulting	320,418	116,955	2,357	2,138	4,265	446,133
Fuel	9,461	6,847	-	-	-	16,308
Helicopter	-	39,997	-	-	-	39,997
Overhead and administration	2,440	-	-	-	-	2,440
Permitting	13,297	646	-	-	-	13,943
Salaries and benefits	-	6,378	-	-	-	6,378
Travel and accommodation	55,088	18,096	-	-	-	73,184
	967,114	226,763	2,357	2,138	4,265	1,202,637

4. FLOW-THROUGH SHARE PREMIUM LIABILITY

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

	\$
Balance, March 31, 2019	51,348
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(25,876)</u>
Balance, September 30, 2019	<u>25,472</u>

5. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Share issuance details

Six months ended September 30, 2019

- In August 2019, the Company completed a non-brokered private placement in two tranches for aggregate gross proceeds of \$2,394,720 through the issuance of 17,105,140 units of the Company at a price of \$0.14 per unit. Each unit consisted of one common share of the Company and one half-share purchase warrant, with each full warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.21 per share with an expiry of either August 6, 2022 or August 29, 2022. Share issue costs totaled \$123,066. 772,322 finders warrants were issued in connection with the private placement with each finders warrant exercisable into one common share on the same terms as the warrants in the private placement. The fair value of the finders warrants was \$44,431 which was recorded as share issue costs.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

b) Share issuance details (continued)

Six months ended September 30, 2019 (continued)

- The Company issued 1,500,000 common shares with a fair value of \$188,500 in connection with the Stillwater West, Catalyst and Outpost/Pacer property agreements.
- The Company issued 2,883,334 common shares pursuant to the exercise of 2,883,334 share purchase warrants with a weighted average exercise price of \$0.12 per share.

Six months ended September 30, 2018

- The Company completed a non-brokered private placement for gross proceeds of \$575,000 through the issuance of 2,875,000 flow-through ("FT") shares at a price of \$0.20 per FT share. The Company paid finders fees totaling \$21,000.

The Company's share price was \$0.22 per share on the date of completion and as a result, the Company allocated \$517,500 of the gross proceeds to share capital and the remaining \$57,500 of the gross proceeds to flow-through share premium liability.

- The Company issued a total of 2,371,428 common shares with a fair value of \$425,428 in connection with the Drayton, Stillwater West, Black Lake and Yukon properties agreements.
- The Company issued 973,500 common shares pursuant to the exercise of 973,500 share purchase warrants with a weighted average exercise price of \$0.11 per share.

c) Stock options

The Company has a fixed Long-Term Incentive Plan whereby the Company may grant certain awards to directors, officers, employees and consultants, including stock options, to a maximum of 9,000,000 common shares. The exercise price, term and vesting period of each award are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price
		\$
Balance, March 31, 2019	7,183,570	0.15
Granted	1,050,000	0.15
Cancelled	(350,000)	0.11
Balance, September 30, 2019	7,883,570	0.15

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

d) Share purchase warrants

The following stock options were outstanding as at September 30, 2019:

Outstanding	Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
		\$		
98,570	98,570	0.35	February 3, 2020	0.35
2,740,000	2,740,000	0.15	March 20, 2022	2.47
425,000	425,000	0.12	August 30, 2022	2.92
2,350,000	2,350,000	0.12	September 28, 2022	3.00
425,000	283,333	0.20	August 22, 2023	3.90
300,000	100,000	0.15	November 23, 2023	4.15
495,000	165,000	0.20	February 28, 2024	4.42
1,050,000	-	0.15	June 14, 2024	4.71
7,883,570	5,996,903	0.15		3.19

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		\$
Balance, March 31, 2019	26,873,387	0.14
Issued	9,324,892	0.21
Exercised	(2,883,334)	0.12
Balance, September 30, 2019	33,314,945	0.16

The fair value of the 772,322 warrants, valued at \$44,431, that were issued as a finders' fee pursuant to the private placement described in Note 5(b) was calculated using the following weighted average assumptions:

Risk-free interest rate	1.39%
Expected stock price volatility	71%
Expected dividend yield	0.0%
Expected option life in years	3.0
Spot price	\$0.15

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

d) Share purchase warrants (continued)

The following share purchase warrants were outstanding as at September 30, 2019:

Outstanding	Exercisable	Exercise Price	Expiry Date
		\$	
18,277,553	18,277,553	0.12 1, 2	February 27, 2020
1,712,500	1,712,500	0.16 1	February 27, 2020
4,000,000	4,000,000	0.23	November 26, 2021
<u>9,324,892</u>	<u>9,324,892</u>	0.21	August 29, 2022
<u><u>33,314,945</u></u>	<u><u>33,314,945</u></u>		

¹ These warrants are subject to an accelerator clause, the conditions of which have already been met. The Company may at any time provide written notice of acceleration of the expiry date of the warrants, to take effect a minimum of 30 days after the delivery of such notice.

² Subsequent to September 30, 2019, 266,667 of these warrants were exercised for proceeds of \$32,000.

e) Share-based payment expense and reserve

The share-based payment expense for the stock options that vested during the six months ended September 30, 2019 was \$93,192 (2018: \$103,245) and was recorded in the condensed consolidated interim statement of loss and comprehensive loss.

The fair value of the stock options that were granted during the six months ended September 30, 2019 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2019	2018
Risk-free interest rate	1.36%	2.19%
Expected stock price volatility	74%	100%
Expected dividend yield	0.0%	0.0%
Expected option life in years	5.0	5.0

During the six months ended September 30, 2019, the Company reclassified \$48,494 (2018: \$Nil) from share-based payment reserve to deficit with respect to options that were cancelled during the period.

6. RELATED PARTY TRANSACTIONS

Under IAS, a related party transaction is a transfer of resources, services or obligations between an issuer and a party related to the issuer or its Executive Directors or Officers. Under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), a related party transaction is a transaction between the issuer and a related party of the issuer at the time the transaction is agreed to as a consequence of which the issuer directly or indirectly enters into specified transactions, including a purchase or sale of assets, issuing securities or subscribing for securities, borrowing or lending money, and forgiving debts or liabilities.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

Key management personnel are the Directors and Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Amounts paid by the Company for the services provided by related parties are determined by negotiation among the parties and are reviewed and approved by the Board. These transactions are in the normal course of operations and are measured at their exchange amount.

In addition to key management personnel, the Company transacted with the following related parties during the six months ended September 30, 2019 and September 30, 2018:

- TruePoint Exploration Inc. ("**TruePoint**"), a privately held geological consulting firm that is controlled by Michael Rowley, the President and CEO of the Company, and another director of the Company, is a related party through its management contracts, which confer significant influence over operations. Charges are for exploration, management, accounting and office administration.
- Metallic Minerals Corp. ("**Metallic**") and Granite Creek Copper Inc. ("**Granite Creek**") are public companies with Directors and/or Officers in common. Together with the Company, they are members of the Metallic Group of Companies which is a collaboration of leading precious and base metals exploration companies that aim to gain a competitive advantage through sharing administration costs, expertise and other resources.
- Midnight Mining Services Ltd. ("**Midnight Mining**"), a private company controlled by Bill Harris, a director of the Company.
- MVR Consulting Inc. ("**MVR**"), a private company controlled by the President and CEO.
- Foran Mining Corporation ("**Foran**"), a public company whose CFO, Tim Thiessen, is the CFO of the Company.

Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these condensed consolidated interim financial statements, are described below.

a) Related Party Transactions

The Company's related party transactions for the six months ended September 30 were as follows:

	2019	2018
	\$	\$
Consulting fees	1 165,650	128,732
Share-based payments expense	2 40,089	50,199
Exploration and administrative support costs	3 1,152,294	-
	<u>1,358,033</u>	<u>178,931</u>

1 Consulting fees consisted of \$82,400 for CEO fees (2018: \$84,312), \$65,000 of fees charged by a director and Chairman for the past 12-month period (2018: \$Nil), \$18,250 for CFO fees (2018: \$17,094) and \$Nil charged by Midnight Mining (2018: \$27,326).

2 Share-based payments expense was a non-cash item that consisted exclusively of the fair value of stock options that were granted to key management personnel.

3 Exploration and administrative support costs were charged by TruePoint and consisted of mineral exploration and evaluation costs, consulting fees, corporate advisory fees and office and administration costs.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

b) Related Party Balances

The Metallic Group of Companies pay for certain shared costs on behalf of each other. The payable balances with Metallic and Granite Creek in the tables below are a result of these shared costs.

The Company's related party payable balances consisted of the following:

	September 30, 2019	March 31, 2019
	\$	\$
Due to Key Management Personnel		
Due to MVR	1 27,720	97,743
Due to Midnight Mining	2 7,010	7,010
Due to the CFO	2 3,150	-
	<u>37,880</u>	<u>104,753</u>

1 This amount was for CEO fees and was included in non-current due to related parties.

2 These amounts were for consulting fees and were included in accounts payable and accrued liabilities.

	September 30, 2019	March 31, 2019
	\$	\$
Due to Related Parties		
Due to Metallic	1 -	243,795
Due to Granite Creek	1 -	101,904
Due to TruePoint	1 654,351	131,047
Due to Foran	2 -	14,678
	<u>654,351</u>	<u>491,424</u>

1 These amounts were included in non-current due to related parties.

2 Foran pays for certain shared consulting and office and administration costs. This amount consisted of these shared costs and was included in current due to related parties.

Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

7. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the six months ended September 30 consisted of the following:

	2019	2018
	\$	\$
Accounts receivable	(72,919)	(4,682)
Prepaid expenses	(98,346)	67,957
Accounts payable and accrued liabilities	(130,090)	803,778
	<u>(301,355)</u>	<u>867,053</u>

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

7. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

The non-cash transactions for the six months ended September 30, 2019 consisted of the Company:

- issuing a total of 1,500,000 common shares valued at \$188,500 as option payments on its Stillwater, Catalyst and Outpost/Pacer properties; and
- issuing 772,322 warrants as finders' fees valued at \$44,431 pursuant to the private placement noted in Note 5(b).

The non-cash transactions for the six months ended September 30, 2018 consisted of the Company issuing a total of 2,371,428 common shares valued at \$425,428 as option payments on its Drayton, Stillwater West, Black Lake and Yukon Properties agreements.

8. FINANCIAL INSTRUMENTS

a) Categories of Financial Instruments

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, short-term loans and due to related parties. The Company has classified its financial instruments into the following categories:

Financial assets	Classification under IAS 39	Classification under IFRS 9
Cash	FVTPL	Amortized cost
Accounts receivable	Notes and receivable	Amortized cost
Financial liabilities	Classification under IAS 39	Classification under IFRS 9
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Short-term loan	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

b) Fair Value

The carrying values of accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

c) Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, currency risk, interest rate risk, credit risk, and other price risk.

The Company's exposure to these risks and its methods of managing the risks are summarized as follows:

i) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities and through management of its capital structure.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS (continued)

i) Liquidity Risk (continued)

As at September 30, 2019, all of the Company's financial liabilities had contractual maturities of less than 90 days. The Company does not have sufficient cash to meet requirements for administrative overhead, maintaining its mineral interests and continuing with its exploration program in the following twelve months. The Company will be required to raise additional capital in the future to fund its operations.

ii) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools and considers the risks related to foreign currency are not significant at this time. The Company is not exposed to material currency risk.

iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Based on the current cash balances and expected future interest rates, the Company is not exposed to material interest rate risk.

iv) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk mainly in respect to managing its cash. The Company mitigates such credit risk by risk management policies that require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better. All investments must be less than one year in duration.

v) Other Price Risk

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

9. CAPITAL MANAGEMENT

The Company's objectives in managing its capital are to maintain the ability to continue as a going concern in order to support the acquisition, exploration and development of its exploration and evaluation assets.

The Company considers the items included in equity as 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 the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders.

As the Company is in the exploration stage, its operations have been substantially funded by the issuance of equity instruments. The Company will continue to rely on equity issuances for future funding depending upon market and economic conditions at the time.

There have been no changes in the Company's approach to capital management during the six months ended September 30, 2019.

The Company is not subject to externally imposed capital requirements.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on the location:

	September 30, 2019	March 31, 2019
	\$	\$
Non-current assets by geographic segment		
Canada	986,028	882,028
United States	1,300,380	941,891
	<u>2,286,408</u>	<u>1,823,919</u>

11. COMMITMENT

As a result of the issuance of FT shares on August 22, 2018, the Company has a commitment to incur \$575,000 on qualifying Canadian exploration expenditures on or before December 31, 2019. At June 30, 2019, approximately \$255,000 of the commitment was remaining.

12. SUBSEQUENT EVENT

In addition to subsequent events disclosed elsewhere in these condensed consolidated interim financial statements, the following event occurred after September 30, 2019:

On November 21, 2019, the Company completed a non-brokered private placement for aggregate gross proceeds of \$2,472,000 through the issuance of 15,413,724 units of the Company. The Company issued 7,997,058 FT units at a price of \$0.17 per unit for gross proceeds of \$1,359,500. Each unit consisted of one FT common share of the Company and one half non-FT share purchase warrant. The Company also issued 7,416,666 non-FT units at a price of \$0.15 per unit for gross proceeds of \$1,112,500. Each unit consisted of one common share of the Company and one half share purchase warrant. Each full warrant from both the FT units and the non FT units entitle the holder to acquire one common share of the Company at an exercise price of \$0.25 per share with an expiry of November 21, 2022. A total of 655,060 finders units were issued in connection with the private placement, with each finders unit being identical to a non-FT unit.