



STRIKEPOINT GOLD INC.

Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars, except where indicated)

(Unaudited)

These unaudited condensed consolidated interim financial statements of Strikepoint Gold Inc. for the nine months ended September 30, 2020 and 2019 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

STRIKEPOINT GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian dollars)

	September 30, 2020	December 31, 2019
ASSETS		<i>Audited</i>
Current		
Cash and equivalents	\$ 2,081,115	\$ 432,110
Receivables	76,636	103,587
Prepaid expenses and deposits	170,841	42,396
	2,328,592	578,093
Reclamation bond	49,000	49,000
	\$ 2,377,592	\$ 627,093
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 848,384	\$ 103,156
Shareholders' equity		
Share capital (Note 6)	40,363,452	37,290,702
Reserves (Note 6)	9,102,254	8,073,704
Deficit	(47,936,498)	(44,840,469)
	1,529,208	523,937
	\$ 2,377,592	\$ 627,093

Nature of operations and going concern (Note 1)

Significant event (Note 2)

Subsequent events (Note 11)

On behalf of the Board:

"Shawn Khunkhun" Director
Shawn KhunKhun

"Ian Harris" Director
Ian Harris

See accompanying notes to these unaudited condensed consolidated interim financial statements

STRIKEPOINT GOLD INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended Sept 30, 2020	Three months ended Sept 30, 2019	Nine months ended Sept 30, 2020	Nine months ended Sept 30, 2019
EXPENSES				
Amortization	\$ -	\$ 265	\$ -	\$ 795
Consulting	24,763	64,500	59,763	137,000
Exploration costs (Note 4)	1,354,482	1,471,951	1,448,099	1,746,324
Management fees (Note 7)	80,000	45,000	155,000	135,000
Office	10,461	9,781	33,315	27,320
Professional fees	44,834	25,374	89,393	72,532
Property acquisition payments (Notes 4 & 6)	40,000	-	790,000	1,026,000
Rent	-	3,140	9,900	14,233
Share-based payments (Note 6(d))	926,074	101,000	1,052,800	471,600
Shareholder communication	127,415	92,597	210,107	182,674
Transfer agent and filing fees	3,689	3,388	42,077	32,862
Travel and related costs	-	6,444	5,564	22,249
Loss from operations	(2,611,718)	(1,823,440)	(3,896,018)	(3,816,189)
Flow-through share premium reversal	-	204,875	-	204,875
Gain on sale of mineral properties (Note 4)	-	-	710,000	-
Interest income	1,533	200	1,941	768
Realized gain (loss) on marketable securities (Note 3)	(196,920)	-	88,048	-
Unrealized loss on marketable securities (Note 3)	(461,172)	-	-	-
	(656,559)	205,075	799,989	205,643
Loss and comprehensive loss for the period	\$ (3,268,277)	\$ (1,618,365)	\$ (3,096,029)	\$ (3,662,964)
Loss per common share (basic and diluted)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding (basic and diluted)	132,478,839	104,791,882	131,324,993	88,860,917

See accompanying notes to these unaudited condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income(loss) for the period	\$ (3,096,029)	\$ (3,662,946)
Items not affecting cash:		
Amortization	-	795
Flow-through share reversal	-	(204,875)
Gain on sale of mineral properties	(710,000)	-
Issuance of shares for exploration asset	750,000	420,000
Share-based payments	1,052,800	471,600
Realized loss on marketable securities	(88,048)	-
Change in non-cash working capital items:		
Decrease (Increase) in receivables	26,951	(68,419)
Increase in prepaid expenses and deposits	(128,445)	(65,384)
Increase in accounts payable and accrued liabilities	<u>745,228</u>	<u>143,449</u>
Net cash used in operating activities	<u>(1,447,543)</u>	<u>(2,965,780)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of reclamation bond	<u>-</u>	<u>(39,000)</u>
Net cash used in investing activities	<u>-</u>	<u>(39,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of mineral properties	50,000	-
Proceeds from sale of marketable securities	748,038	-
Issuance of shares, net of issuance costs	<u>2,298,500</u>	<u>3,684,765</u>
Net cash provided by financing activities	<u>3,096,548</u>	<u>3,684,765</u>
Increase in cash and equivalents during the period	1,649,005	679,985
Cash and equivalents, beginning of period	<u>432,110</u>	<u>533,703</u>
Cash and equivalents, end of period	<u>\$ 2,081,115</u>	<u>\$ 1,213,688</u>
Cash and equivalents consists of:		
Cash	\$ 981,115	\$ 1,113,688
Guaranteed Investment Certificates (less than 90 days)	<u>1,100,000</u>	<u>100,000</u>
	<u>\$ 2,081,115</u>	<u>\$ 1,213,688</u>

See accompanying notes to these unaudited condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited)

(Expressed in Canadian dollars)

	Share Capital		Special Warrants	Reserves	Deficit	Total
	Number	Amount				
Balance at December 31, 2018	74,085,392	\$ 33,305,112	\$ 384,000	\$ 7,524,304	\$ (40,879,266)	\$ 334,150
Shares issued for private placement, net	31,073,044	3,606,965	-	77,800	-	3,684,765
Flow-through share premium	-	(204,875)	-	-	-	(204,875)
Shares issued for property acquisition	3,000,000	420,000	-	-	-	420,000
Shares issued for special warrant conversion*	2,400,000	384,000	(384,000)	-	-	-
Share-based payments	-	-	-	471,600	-	471,600
Comprehensive (loss) for the period	-	-	-	-	(3,662,946)	(3,662,946)
Balance at September 30, 2019	110,558,436	\$ 37,511,202	\$ -	\$ 8,073,704	\$ (44,542,212)	\$ 1,042,694
Balance at December 31, 2019	110,558,436	\$ 37,290,702	\$ -	\$ 8,073,704	\$ (44,840,469)	\$ 523,937
Shares issued for private placement, net	24,380,000	1,892,024	-	62,976	-	1,955,000
Shares issued for property acquisition	15,000,000	750,000	-	-	-	750,000
Shares issued for the exercise of options	3,650,000	350,726	-	(87,226)	-	263,500
Shares issued for the exercise of warrants	400,000	80,000	-	-	-	80,000
Share-based payments	-	-	-	1,052,800	-	1,052,800
Comprehensive income for the period	-	-	-	-	(3,096,029)	(3,171,029)
Balance at September 30, 2020	153,988,436	\$ 40,283,452	\$ -	\$ 9,102,254	\$ (47,936,498)	\$ 1,529,208

*Note: Each special warrant was convertible into one common share of the Company at any time without additional consideration for a five-year period (Notes 4(b) and 6)

See accompanying notes to these unaudited condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

StrikePoint Gold Inc. (the “Company”) is incorporated under the laws of the Province of Alberta and is listed on the TSX Venture Exchange under the symbol “SKP”. The Company is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

The Company’s head office and principle address is 300 - 1055 West Hastings Street, Vancouver, BC, V6E 2E9. The registered and records office is located at 2080 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

These unaudited condensed consolidated interim financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital or through joint ventures, and/or proceeds from the disposition of a property. As at September 30, 2020, the Company has an accumulated deficit of \$47,936,498 and has working capital of \$1,480,208. The Company’s current forecast indicates that it will have sufficient cash available for the next year to continue as a going concern. However, additional financing will be required to carry out exploration and development of its properties (See Note 11).

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn that could further affect the Company and its ability to secure any necessary financing. Various restrictions have been imposed on the conduct of business in many jurisdictions as well as on movement of people and goods. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements were authorized for issue on November 27, 2020 by the directors of the Company.

Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of its wholly-owned subsidiary Mount Rainey Silver Inc. (“Mount Rainey”) and its wholly-owned inactive subsidiary, Braveheart Gold Inc. All intercompany accounts and transactions have been eliminated on consolidation.

During January 2020, the Company acquired 100% of the shares of Mount Rainey from Skeena Resources Ltd. (“Skeena”), in conjunction with the acquisition of the Porter Idaho Property. Mount Rainey is the holder of the Porter Idaho Property and, as per the terms of the mineral property acquisition agreement, the Company acquired Mount Rainey and title to the Porter Idaho property by making the final payment of \$750,000 to Skeena by way of the issuance of 15,000,000 common shares of the Company to Skeena. All accounts of Mount Rainey have been consolidated into these financial statements. (Note 4(b)).

STRIKEPOINT GOLD INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)***Basis of preparation***

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and, therefore, should be read in conjunction with the Company’s audited annual consolidated financial statements and notes thereto for the year ended December 31, 2019. In particular, the Company’s significant accounting policies, which were presented in Note 2 to the consolidated financials for the fiscal year ended December 31, 2019, have been consistently applied in the preparation of these condensed consolidated interim financial statements.

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

3. MARKETABLE SECURITIES

- (a) During the nine months ended September 30, 2020, the Company received 3,000,000 common shares of American Creek Resources (“AMC”) (Note 4(C), a Canadian public company, with a fair value of \$210,000, as consideration for the sale of the Glacier Creek property. (Note 4(C)).

During the nine months ended September 30, 2020, the Company sold 3,000,000 AMC shares for net proceeds of \$406,334 and, as a result, recorded a realized gain on marketable securities of \$196,335.

- (b) During the nine months ended September 30, 2020, the Company received 2,000,000 common shares of Sitka Gold Corp. (“Sitka”) (Note 4(C), a public company, with a fair value of \$450,000, as consideration for the sale of the Mahtin property. (Note 4(C)).

During the nine months ended September 30, 2020, the Company sold 2,000,000 Sitka shares for net proceeds of \$341,714 and, as a result, recorded a realized loss on marketable securities of \$88,049.

4. EXPLORATION AND EVALUATION PROPERTIES

Exploration costs for the nine months ended September 30, 2020:

Exploration Costs	Willoughby		Porter Idaho Property (B)	Yukon Properties (C)	Other Properties (D, E, F, G)	Total
	Property (A)					
Drilling and assaying costs	\$ 436,794	\$ -	\$ -	\$ -	\$ -	\$ 436,794
Field costs	90,019	-	-	-	-	90,019
Geological consulting	538,776	3,013	-	-	-	541,789
Helicopter and fuel	379,497	-	-	-	-	379,497
Taxes	-	-	-	-	-	-
Total	\$ 1,445,086	\$ 3,013	\$ -	\$ -	\$ -	\$ 1,448,099

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

4. EXPLORATION AND EVALUATION PROPERTIES (cont'd)

Exploration costs for the nine months ended September 30, 2019:

Exploration Costs	Willoughby Property (A)	Porter Idaho Property (Note (B)	Yukon Properties (C)	Other Properties (D, E, F, G)	Total
Drilling and assaying costs	\$ 410,319	\$ 8,238	\$ 1,679	\$ -	\$ 420,236
Field costs	422,424	1,283	-	-	423,707
Geological consulting	359,194	77,498	-	-	436,692
Helicopter and fuel	416,852	8,424	-	-	425,276
Taxes	-	40,413	-	-	40,413
Total	\$ 1,608,499	\$ 135,856	\$ 1,679	\$ -	\$ 1,746,324

A) WILLOUGHBY PROPERTY

During April 2019, the Company acquired a 100% interest in the Willoughby property, located in northwestern British Columbia, from ArcWest Exploration Inc. ("ArcWest") (formerly Sojourn Exploration Inc.), a Canadian public company, for a cash payments of \$10,000 (paid) and \$75,000 (paid) and the issuance of 3,000,000 common shares (issued and valued at \$420,000). During March 2019, the Company incurred a reclamation bond payment in the amount of \$39,000.

ArcWest will retain a 1.5% net smelter return, which can be reduced by 0.50% for an additional \$1,000,000 cash payment.

B) PORTER IDAHO PROPERTY

On August 15, 2018 (and amended February 11, 2019), the Company completed an acquisition agreement regarding the Porter Idaho property, near Stewart, British Columbia, with Skeena Resources Limited (TSXV: SKE) ("Skeena") (the "Porter Idaho Transaction"), whereby the Company purchased the property indirectly through the acquisition of all of the shares of Mount Rainey Silver Inc., a wholly-owned subsidiary of Skeena. The terms of the Porter Idaho Transaction are as follows:

- \$1,521,000 payable in cash to Skeena (\$250,000 was paid on completion of the Porter Idaho Transaction and \$521,000 was paid during the year ended December 31, 2019), with the final \$750,000 to be paid by December 31, 2019 in cash or in the equivalent value of common shares or special warrants of the Company, at the Company's election. In January 2020, the Company made the final payment to Skeena by issuing 15,000,000 common shares (Note 6(b));
- issuance to Skeena of 7,100,000 Strikepoint common shares (issued August 15, 2018 – valued at \$1,136,000);
- issuance to Skeena of 2,400,000 special warrants of Strikepoint (issued August 15, 2018 – valued at \$384,000). These special warrants (converted on July 30, 2019) had a five-year term. Each special warrant was convertible into common shares of the Company for no additional consideration at the time of conversion.
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of \$750,000.

The acquisition of Mount Rainey Silver Inc. closed on January 22, 2020 (Note 2).

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

4. EXPLORATION AND EVALUATION PROPERTIES (cont'd)

C) YUKON PROPERTIES

On March 28, 2017, the Company signed a definitive agreement with IDM Mining Ltd. (“IDM”), now a wholly-owned subsidiary of Ascot Resources Ltd. (a Canadian public company), to purchase a 100% interest in a portfolio of 14,031 claims defining 22 properties over 282,000 hectares located in the Yukon, Canada. The terms of the agreement are as follows:

- pay \$150,000 in cash (paid);
- issue 10,500,000 common shares of the Company with a value of \$4,042,500 (issued); and
- incur \$1,500,000 in exploration expenditures by December 31, 2017 (incurred).

IDM has been granted an equity participation right, allowing it to maintain its pro-rata interest. IDM has a right of first refusal for two years on the sale of any of the Yukon properties.

During the nine months ended September 30, 2020, the Company sold the Mahtin property to Sitka Gold Corp. in exchanged for the issuance of 2 million shares to Strikepoint (received). The Company has retained a 1% NRS, which can be purchased for a cash payment of \$1 million. The Company recorded an accounting gain of \$450,000 on the sale of the Mahtin property.

Also during the nine months ended September 30, 2020, the Company sold the Glacier Creek property to American Creek Resources Ltd. in exchange for the issuance of 3 million common shares to Strikepoint (received) and a cash payment of \$50,000 (received). The Company has retained a 0.5% NRS, which can be purchased for a cash payment of \$500,000. The Company recorded an accounting gain of \$260,000 on the sale of the Glacier Creek property.

D) HANDSOME JACK PROPERTY

During August, 2018, the Company completed an acquisition agreement with Trifecta Gold Ltd. (TSXV: TG) (“Trifecta”) to purchase the Handsome Jack property, adjacent to the Porter Idaho property, near Stewart, British Columbia (the “Transaction”). The terms of the Transaction are as follows:

- \$25,000 payable in cash to Trifecta (paid);
- issuance to Trifecta of 250,000 Strikepoint common shares (issued – valued at \$42,500); and
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of \$500,000.

E) BIG, BADA AND BOOM PROPERTIES

During September 2018, the Company acquired, by staking, the Big, Bada and Boom properties contiguous to its Porter Idaho and Handsome Jack properties near Stewart, BC. Staking costs totaled \$2,547.

F) LOBSTICK PROPERTY - ONTARIO

The Company owns a 100% interest in the Lobstick property located in the Lobstick area near the Lake of the Woods, Ontario. The Lobstick property is subject to a 3% net smelter return royalty upon commencement of commercial production, for which the Company may repurchase two-thirds of the 3% net smelter return royalty for \$1,000,000 for each one-third repurchased.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

4. EXPLORATION AND EVALUATION PROPERTIES (cont'd)**F) LOBSTICK PROPERTY – ONTARIO (CONT'D)**

The Company must pay and issue to the former Optionor:

- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a technical report under National Instrument 43-101 demonstrating mineral resources on any part of the Lobstick Property; and
- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a positive, bankable feasibility study (as defined under National Instrument 43-101) with respect to any part of the Lobstick Property.

The property is on care and maintenance.

G) ANGELINA PROPERTY - MANITOBA

The Company's owns a 100% interest in the Angelina property, located in Rice Lake Belt, Manitoba. The property is on care and maintenance.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2020	December 31, 2019
Accounts payable (Note 7)	\$ 848,384	\$ 70,831
Accrued liabilities	-	32,325
Total	\$ 848,384	\$ 103,156

6. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at September 30, 2020, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

b) Issued share capital

Fiscal 2019

On April 8, 2019, the Company completed a private placement for gross proceeds of \$1,271,920 consisting of 11,562,908 common share units at \$0.11 per unit. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.20 per share for a three-year period. Finders' fees payable in connection with the financing consisted of \$64,072 cash and 518,880 finders' warrants which are exercisable on the same terms as the unit warrants. The finders' warrants were valued at \$39,000 using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.73% and an expected volatility of 97.11%.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

6. SHARE CAPITAL AND RESERVES (cont'd)

b) Issued share capital (cont'd)

On April 15, 2019, the Company issued 3,000,000 common shares, valued at \$420,000, pursuant to the Willoughby property acquisition described in Note 4, for which the market value on the date of issuance was \$0.14 per share.

On July 22, 2019, the Company completed the first tranche of a non-brokered private placement for gross proceeds of \$2,090,490 consisting of 6,945,000 flow-through common share units at a price of \$0.16 per unit and 8,902,636 non-flow-through common share units at a price of \$0.11 per unit. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.20 per share for a three-year period. The Company recognized a flow through premium liability of \$347,250 on issuance. The residual value of the flow through portion of the first tranche of \$937,575 was allocated to share capital. To December 31, 2019, the Company expended \$1,111,200 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to \$Nil. Finders' fees payable in connection with the financing consisted of \$43,706 cash and 275,347 finder's warrants. The warrants were valued at \$19,900 using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.68% and an expected volatility of 98.3%.

On July 30, 2019, the Company completed the second tranche of a non-brokered private placement for gross proceeds of \$481,000 consisting of 1,562,500 flow-through shares at \$0.16 per share and 2,100,000 non-flow-through units at \$0.11 per unit. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.20, for a three-year period. The Company recognized a flow through premium liability of \$78,125 on issuance. The residual value of the flow through portion of the first tranche of \$218,750 was allocated to share capital. To December 31, 2019, the Company expended an additional \$250,000 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to \$Nil. Finders' fees payable in connection with this tranche consisted of \$38,205 cash and 290,500 finder's warrants. The warrants were valued at \$18,900 using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.68% and an expected volatility of 98.3%.

On July 30, 2019, the Company issued 2,400,000 common shares in conjunction with the conversion of Special Warrants (Note 4(B)).

Fiscal 2020

On January 22, 2020, the Company issued 15,000,000 common shares to Skeena as a final payment in conjunction with the acquisition of Mount Rainey Silver Inc. (Note 4(B)).

On July 23, 2020, the Company completed a non-brokered private placement for gross proceeds of \$1,955,000, consisting of 23,000,000 units at \$0.085 per unit. Each unit consists of one common share and ½ share purchase warrant, with each full warrant exercisable at \$0.12 per share, for a two-year period. In conjunction with the completion of the private placement, the Company issued 1,380,000 finder's shares of 1,380,000 valued at \$117,300 based on the fair value of the shares issued as well as 690,000 finder's warrants with the same attributes as the unit warrants, with a value of \$62,976 using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 0.30% and an expected volatility of 101.72%.

During the nine months ended September 30, 2020, 3,650,000 stock options were exercised for proceeds totalling \$263,500. Upon the exercise of options, \$179,626 was reclassified from reserves to share capital.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

6. SHARE CAPITAL AND RESERVES (cont'd)

c) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors.

Details of stock options outstanding and exercisable as at September 30, 2020 are as follows:

Number of Shares	Exercise Price	Expiry Date
1,200,000	\$0.15	April 26, 2021
500,000	\$0.20 *	October 25, 2021
2,050,000	\$0.20 **	May 9, 2022
1,650,000	\$0.20	September 25, 2023
600,000	\$0.14 ***	April 9, 2024
1,700,000	\$0.20	June 12, 2024
1,200,000	\$0.20	July 31, 2024
5,175,000	\$0.20	August 3, 2025
<u>200,000</u>	<u>\$0.20</u>	<u>September 9, 2025</u>
<u>14,275,000</u>		

* Exercise price was amended from \$0.30 to \$0.20 on June 13, 2019

** Exercise price was amended from \$0.43 to \$0.20 on June 13, 2019

*** Exercised subsequent to September 30, 2020

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2018	7,405,000	\$ 0.20
Cancelled	(2,005,000)	0.17
Granted	<u>4,400,000</u>	0.18
Balance, December 31, 2019	9,800,000	0.18
Cancelled	(1,350,000)	0.05
Exercised	(3,650,000)	0.07
Granted	<u>9,475,000</u>	0.14
Balance, September 30, 2020	<u>14,275,000</u>	<u>\$ 0.19</u>
Balance, exercisable, September 30, 2020	<u>14,275,000</u>	<u>\$ 0.19</u>

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

6. SHARE CAPITAL AND RESERVES (cont'd)

d) Share-based payments

During January 2020, the Company granted stock options enabling the holders to acquire up to 2,700,000 common shares of the Company with a grant date fair value of \$0.04 per share. These stock options have an exercise price of \$0.05 per share, resulting in stock-based payments expense of \$87,029 using the Black-Scholes option pricing model.

During May 2020, the Company granted stock options enabling the holders to acquire up to 1,400,000 common shares of the Company with a grant date fair value of \$0.035 per share. These stock options have an exercise price of \$0.05 per share, resulting in stock-based payments expense of \$43,711 using the Black-Scholes option pricing model.

During August 2020, the Company granted stock options enabling the holders to acquire up to 5,175,000 common shares of the Company with a grant date fair value of \$0.21 per share. These stock options have an exercise price of \$0.20 per share, resulting in stock-based payments expense of \$891,827 using the Black-Scholes option pricing model.

During September 2020, the Company granted stock options enabling the holder to acquire up to 200,000 common shares of the Company with a grant date fair value of \$0.21 per share. These stock options have an exercise price of \$0.20 per share, resulting in stock-based payments expense of \$34,247 using the Black-Scholes option pricing model.

The Company applies the fair value method using the Black-Scholes option pricing model to account for stock options granted to directors, officers and consultants. The following assumptions were used to calculate the weighted average fair value of the stock options granted during the period:

	2020	2019
Risk-free interest rate	0.61%	1.70%
Expected life of options	5 years	4.57 years
Annualized volatility	118%	92.5%
Dividend rate	0%	0%
Forfeiture rate	0%	0%

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

6. SHARE CAPITAL AND RESERVES (cont'd)

e) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2018	20,902,250	\$ 0.42
Expired	(11,539,750)	0.49
Exercised	(2,400,000)	-
Issued	12,081,788	0.20
Issued	16,122,983	0.20
Issued	<u>2,390,500</u>	0.20
Balance, December 31, 2019	37,557,771	\$ 0.23
Expired	(6,962,500)	0.36
Exercised	(400,000)	0.20
Issued	<u>12,190,000</u>	0.12
Balance, September 30, 2020	<u>42,385,271</u>	\$ 0.18

Details of warrants outstanding and exercisable as at September 30, 2020 are as follows:

Number of Shares	Exercise Price	Expiry Date
11,681,788	\$0.20	April 7, 2022
16,122,983	\$0.20	July 21, 2022
12,190,000	\$0.20	July 22, 2022
<u>2,390,500</u>	\$0.20	July 30, 2022
<u>42,385,271</u>		

7. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2020, the Company entered into the following transactions with related parties:

- Paid or accrued management fees of \$155,000 (2019 - \$135,000) to the CEO of the Company.
- Paid or accrued professional fees of \$58,500 (2019 - \$58,500) to a company controlled by the Corporate Secretary of the Company.
- Paid consulting fees of \$9,999 (2019 - \$Nil) to a company controlled by a Director of the Company.
- Paid or accrued geological consulting fees of \$18,000 (2019 - \$123,000) to a company controlled by a director of the Company and \$Nil (2019 - \$99,569) to a company controlled by the Company's former vice-president of exploration.
- Incurred share-based payment expense of \$598,860 (2019 - \$Nil) to Directors and Officers of the Company.

STRIKEPOINT GOLD INC.

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(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

7. RELATED PARTY TRANSACTIONS (Cont'd)

Key management personnel compensation disclosed above (including senior officers and certain directors of the Company):

	September 30, 2020	September 30, 2019
Short-term benefits	\$ 241,499	\$ 416,069
Share-based payments	\$ 598,860	\$ -

As at September 30, 2020, accounts payable and accrued liabilities included \$6,000 (December 31, 2019 - \$9,000) due to a related party.

8. FINANCIAL INSTRUMENTS AND RISK FACTORS*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's financial instruments include cash, receivables, marketable securities, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value. Cash and marketable securities are measured based on Level 1 inputs of the fair value hierarchy.

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2020 and December 31, 2019:

	As at September 30, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 2,081,115	\$ -	\$ -

	As at December 31, 2019		
	Level 1	Level 2	Level 3
Cash	\$ 432,110	\$ -	\$ -

Risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

SEPTEMBER 30, 2020

8. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd)

Risk factors (cont'd)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has cash balances but no interest-bearing debt. The bank account is held with a major Canadian bank. As all of the Company's cash and equivalents are held by one bank, there is a concentration of credit risk with the bank. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes.

Currency Risk

Currency risk is the risk that arises from the change in price of one currency against another. The Company operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt, therefore, interest rate risk is nominal.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk have been assessed as high.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation interests, acquire additional exploration and evaluation interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

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(Expressed in Canadian dollars)

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10. SEGMENTED INFORMATION

The primary business of the Company is the acquisition and exploration of mineral properties in Canada.

11. SUBSEQUENT EVENTS

Subsequent to September 30, 2020, the Company completed three non-brokered private placements for gross proceeds of \$5,282,995 consisting of 9,523,812 flow-through common share units at a price of \$0.21 per unit and 21,886,638 non-flow-through common share units at a price of \$0.15 per unit. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.25 per share for a two-year period. Finders' fees payable in connection with the financing consisted of \$75,597 cash and 389,694 finder's warrants.