

**DECADE RESOURCES LTD.**

CONDENSED INTERIM FINANCIAL STATEMENTS

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

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

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements.

**DECADE RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
October 31, 2019 and April 30, 2019  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	October 31, <u>2019</u>	April 30, <u>2019</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 98,579	\$ 75,638
GST receivable	22,750	8,822
Accounts receivable – Notes 5(b) and 7	114,603	925,500
Prepaid expenses	<u>7,500</u>	<u>-</u>
Total current assets	<u>243,432</u>	<u>1,009,960</u>
Non-current assets		
Reclamation deposits	112,685	60,485
Property and equipment – Note 4	7,755	15,061
Exploration advances – Note 7	-	2,000
Exploration and evaluation assets – Note 5 and Schedule 1	<u>11,759,113</u>	<u>11,767,493</u>
Total non-current assets	<u>11,879,553</u>	<u>11,845,039</u>
Total assets	<u>\$ 12,122,985</u>	<u>\$ 12,854,999</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities – Note 7	\$ 702,320	\$ 1,273,894
Due to related party – Note 7	<u>139,500</u>	<u>-</u>
	841,820	1,273,894
Non-current liabilities		
Deferred tax liabilities	<u>655,854</u>	<u>655,854</u>
Total liabilities	<u>1,497,674</u>	<u>1,929,748</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital – Note 6	23,381,350	23,381,350
Contributed surplus	2,017,501	2,017,501
Deficit	<u>(14,773,540)</u>	<u>(14,473,600)</u>
Total shareholders' equity	<u>10,625,311</u>	<u>10,925,251</u>
Total liabilities and shareholders' equity	<u>\$ 12,122,985</u>	<u>\$ 12,854,999</u>

APPROVED ON BEHALF OF THE BOARD

“Ed Kruchkowski”

Director

“Randy Kasum”

Director

*The accompanying notes form an integral part of these financial statements*

**DECADE RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
For the three and six months ended October 31, 2019 and 2018  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	Three months ended October 31		Six months ended October 31	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General and administrative expenses				
Accounting and audit fees	\$ 5,250	\$ 7,000	\$ 8,250	\$ 10,350
Consulting fees – Note 7	26,000	93,530	54,000	325,880
Depreciation	763	959	1,525	1,917
Filing fees (recovery)	1,992	(1,430)	1,992	8,147
Interest and bank charges	174	358	543	707
Legal fees	2,816	12,450	8,710	22,706
Management fees – Note 7	60,000	60,000	120,000	120,000
Office and telephone	4,215	5,438	9,924	13,236
Property investigation cost	5,949	9,787	16,574	9,787
Rent	-	-	-	3,822
Shareholder communications	21,676	17,459	54,981	44,923
Transfer agent fees	<u>2,360</u>	<u>2,064</u>	<u>4,130</u>	<u>3,895</u>
Loss before other items	(131,195)	(207,615)	(280,629)	(565,370)
Other items				
Other income – Note 6	-	74,866	-	74,866
Loss on disposal of equipment	(782)	-	(782)	-
Write-off of exploration and evaluation assets	<u>(12,265)</u>	<u>-</u>	<u>(18,529)</u>	<u>-</u>
Net loss and comprehensive loss	<u>\$ (144,242)</u>	<u>\$ (132,749)</u>	<u>\$ (299,940)</u>	<u>\$ (490,504)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding	<u>166,365,522</u>	<u>156,224,351</u>	<u>166,365,522</u>	<u>147,469,226</u>

*The accompanying notes form an integral part of these financial statements*

**DECADE RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
For the six months ended October 31, 2019 and 2018  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (299,940)	\$ (490,504)
Add items not affecting cash:		
Depreciation	1,525	1,917
Loss on disposal of equipment	781	-
Write-off of exploration and evaluation assets	<u>18,529</u>	<u>-</u>
	(279,105)	(488,587)
Changes in working capital items related to operations:		
GST receivable	(13,928)	(58,511)
Accounts receivable	825,000	-
Prepaid expenses	(7,500)	-
Accounts payable and accrued liabilities	<u>9,378</u>	<u>(107,781)</u>
	<u>534,845</u>	<u>(654,879)</u>
<b>FINANCING ACTIVITIES</b>		
Flow-through premium	-	7,134
Shares issued for cash	-	1,990,750
Due from related party	140,000	-
Share subscriptions	<u>-</u>	<u>113,255</u>
	<u>140,000</u>	<u>2,111,139</u>
<b>INVESTING ACTIVITIES</b>		
Reclamation bond	(52,200)	-
Proceeds from disposal of equipment	5,000	-
Exploration advances	2,000	(79,500)
Exploration and evaluation assets	<u>(605,704)</u>	<u>(1,386,423)</u>
	<u>(650,904)</u>	<u>(1,465,923)</u>
Change in cash	22,941	(9,663)
Cash, beginning	<u>75,638</u>	<u>93,835</u>
Cash, ending	<u>\$ 98,579</u>	<u>\$ 84,172</u>
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

*The accompanying notes form an integral part of these financial statements*

**DECADE RESOURCES LTD.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
For the six months ended October 31, 2019 and 2018  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	Share Capital		Share Subscriptions	Contributed Surplus	Deficit	Total Shareholders' Equity
	Number of Shares	Amount				
Balance at April 30, 2018	125,308,908	\$ 21,286,057	\$ -	\$ 2,017,501	\$ (12,241,106)	\$ 11,062,452
For cash:						
Private placement at \$0.05	32,195,000	1,609,750	-	-	-	1,609,750
Private placement at \$0.65	7,119,230	462,750	113,255	-	-	576,005
Flow-through premium	-	(81,750)	-	-	-	(81,750)
Net and comprehensive loss	-	-	-	-	(490,504)	(490,504)
Balance at October 31, 2018	<u>164,623,138</u>	<u>\$ 23,276,807</u>	<u>\$ 113,255</u>	<u>\$ 2,017,501</u>	<u>\$ (12,731,610)</u>	<u>\$ 12,675,953</u>
Balance at April 30, 2019	166,365,522	\$ 23,381,350	\$ -	\$ 2,017,501	\$ (14,473,600)	\$ 10,925,251
Net and comprehensive loss	-	-	-	-	(299,940)	(299,940)
Balance at October 31, 2019	<u>166,365,522</u>	<u>\$ 23,381,350</u>	<u>\$ -</u>	<u>\$ 2,017,501</u>	<u>\$ (14,773,540)</u>	<u>\$ 10,625,319</u>

*The accompanying notes form an integral part of these financial statements*

**DECADE RESOURCES LTD.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
October 31, 2019  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

Note 1 Corporate Information

Decade Resources Ltd. (the “Company”) is an exploration stage company incorporated on March 3, 2006, under the laws of the Province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the Province of British Columbia, Canada. The Company’s common shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “DEC”.

The Company’s head office and principal business address is 611 – 8<sup>th</sup> Street, Box 211, Stewart, British Columbia, Canada, V0T 1W0.

Note 2 Basis of Preparation

**a) Statement of Compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) IAS 34 “Interim Financial Reporting”.

These condensed interim financial statements do not include all of the information and disclosures required to be included in annual financial statements prepared in accordance with IFRS. These condensed interim financial statements should be read in conjunction with the Company’s audited annual financial statements for the years ended April 30, 2019 and 2018.

These condensed interim financial statements were authorized for issue on December 20, 2019 by the directors of the Company.

**b) Basis of Measurement**

These condensed interim financial statements have been prepared using the historical cost basis except for financial instruments that have been measured at fair value.

The condensed interim financial statements are presented in Canadian dollars, which is the Company’s functional currency and presentation currency.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 2     Basis of Preparation – (cont'd)

**c) Going Concern**

At October 31, 2019, the Company has not generated revenue from operations, has an accumulated deficit of \$14,773,540 and expects to incur further costs in the exploration and evaluation of its mineral properties. These financial statements have been 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 for the foreseeable future. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the Company's ability to obtain adequate financing to develop the reserves, and its ability to commence profitable operations in the future. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company has been able to fund operations and mineral property exploration through equity financings. The continued uncertainty in the financial equity markets may make it difficult to raise capital through the private placement of shares. The junior mining industry is considered speculative in nature which could make it more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

These 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 as a going concern.

**d) Critical Accounting Estimates and Judgements**

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the Company's financial statements within the next financial year are discussed below:

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 2 Basis of Preparation – (cont'd)

**d) Critical Accounting Estimates and Judgements** – (cont'd)

i. Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

ii. Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iii. Rehabilitation Provisions

Rehabilitation provisions have been determined to be \$Nil based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

iv. Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to Note 2(c) for additional information.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 3 Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at April 30, 2019. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2019.

*The following standard were adopted effective May 1, 2019:*

**IFRS 16 Leases** - In June 2016, the IASB issued IFRS 16, *Leases* which 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. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or financing leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The adoption of this standard did not have a material effect on the Company's future results and financial position.

Note 4 Property and Equipment

	<u>Computer Equipment</u>	<u>Furniture and Fixtures</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<b>Cost</b>				
Balance April 30, 2018 and 2019	\$ 6,177	\$ 12,911	\$ 68,997	\$ 88,085
Disposal	<u>-</u>	<u>-</u>	<u>(42,544)</u>	<u>(42,544)</u>
Balance October 31, 2019	<u>\$ 6,177</u>	<u>\$ 12,911</u>	<u>\$ 26,453</u>	<u>\$ 45,541</u>
<b>Accumulated depreciation</b>				
Balance April 30, 2018	\$ 5,631	\$ 9,865	\$ 53,694	\$ 69,190
Depreciation	<u>164</u>	<u>609</u>	<u>3,061</u>	<u>3,834</u>
Balance April 30, 2019	5,795	10,474	56,755	73,024
Disposal	-	-	(36,763)	(36,763)
Depreciation	<u>57</u>	<u>244</u>	<u>1,224</u>	<u>1,525</u>
Balance October 31, 2019	<u>\$ 5,852</u>	<u>\$ 10,718</u>	<u>\$ 21,216</u>	<u>\$ 37,786</u>
<b>Net book value</b>				
Balance October 31, 2019	<u>\$ 325</u>	<u>\$ 2,193</u>	<u>\$ 5,237</u>	<u>\$ 7,755</u>
Balance April 30, 2019	<u>\$ 382</u>	<u>\$ 2,437</u>	<u>\$ 12,242</u>	<u>\$ 15,061</u>

During the six months ended October 31, 2019, the Company an equipment to a company with common directors for total proceeds of \$5,000 resulting in a loss on disposal of \$782.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 5 Exploration and Evaluation Assets

The Company's exploration and evaluation assets are described below. Also refer to Schedule 1 attached to the end of these financial statements.

a) *Silver Crown*

By an option agreement dated December 1, 2006 and an amending agreement dated November 1, 2008, the Company was granted the option to acquire a 100% interest in the Silver Crown Property, which consists of one mineral claim situated in the Skeena Mining Division in the Province of British Columbia. The property is subject to a 2% net smelter return royalty. Consideration to earn the 100% interest is as follows:

*Cash payments:*

- i) \$10,000 to be paid on the execution of this letter agreement (paid);
- ii) a further \$15,000 to be paid on or before November 17, 2007 (paid);
- iii) a further \$45,000 to be paid on or before November 17, 2009 (paid);
- iv) a further \$30,000 to be paid on or before November 17, 2010 (paid).

*Common share issuances:*

- i) 20,000 common shares (issued); and
- ii) an additional 40,000 common shares on or before November 17, 2010 (issued).

*Exploration expenditures:*

- i) \$100,000 before December 31, 2007 (incurred);
- ii) \$300,000 in aggregate before December 31, 2008 (incurred); and
- iii) \$1,500,000 in aggregate on or before December 31, 2019.

On January 9, 2012, the Company paid an extension fee of \$10,000 to the optionor and the parties agreed on an amendment of the terms of the exploration expenditures commitment contained in the original option agreement. During the year ended April 30, 2015, the Company and the optionor agreed to further extend the exploration expenditures date to December 31, 2015. During the year ended April 30, 2016 the Company and the optionor agreed to further extend the exploration expenditures date to December 31, 2016. During the year ended April 30, 2017 the Company and the optionor agreed to further extend the exploration expenditures date to December 31, 2017.

On February 29, 2019, the Company entered into an amended agreement with the optionor to extend the exploration expenditures from December 31, 2017 to December 31, 2019 in consideration of a cash payment of \$10,000 due prior to August 31, 2019 (paid) and the Company agreeing to forego the buyback of 50% of the net smelter royalty as outlined in the original agreement.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 5 Exploration and Evaluation Assets – (cont'd)

b) *Red Cliff*

On October 28, 2008, the Company entered into an option agreement with Mountain Boy Minerals Ltd. (“Mountain Boy”), a public company with directors in common with the Company, to acquire a 60% interest in the Red Cliff property located 25 miles north of Stewart, British Columbia. In order to earn the 60% interest the Company was required to incur exploration expenditures on the property of \$1,250,000 over three years. The Company incurred all the required exploration expenditures to earn its 60% interest and entered into a joint venture agreement with Mountain Boy to operate the property on a 60/40 joint venture basis.

At October 31, 2011, the Company was informed by Mountain Boy that it would not be funding its share of the Red Cliff exploration expenditures and thereby would have its interest diluted under the formula set out in the joint venture agreement. As at October 31, 2011, the Company was owed \$548,285 in exploration expenditures by Mountain Boy. Effective November 1, 2011, Mountain Boy agreed to dilute its interest in the Red Cliff property by 5% in lieu of the \$435,785 and consequently the Red Cliff joint venture is now run on a 65/35 joint venture basis.

On October 16, 2017, the Company entered into a Royalty Purchase Agreement to acquire 65% of the 1% net smelter return (“NSR”) royalty on certain mineral claims on the Red Cliff property. In consideration, the Company paid \$6,500 and committed to issue 280,000 common shares to the vendor. On November 13, 2017, the Company issued the 280,000 common shares fair valued at \$0.085 per common share totalling \$23,800 and the NSR was cancelled.

On March 28, 2019, the Company and Mountain Boy entered into an amending agreement which revised the amount recoverable from Mountain Boy as of the date of the agreement to \$925,000. As a result, the Company recorded a decrease of \$210,255 in the recoverable amount from Mountain Boy which is reflected in the net cost recovery in exploration expenditures.

During the six months ended October 31, 2019, the Company charged \$14,603 (April 30, 2019: \$517,852) in exploration expenditures to Mountain Boy.

At October 31, 2019, Mountain Boy owed the Company \$114,604 (April 30, 2019: \$925,000) in exploration expenditures which is included in accounts receivable.

c) *Goat/Surprise Creek*

On January 28, 2010, the Company purchased a 100% interest in three mineral claims known as the Goat claims located north of Stewart, British Columbia for \$55,000 and 50,000 common shares.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

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(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 5 Exploration and Evaluation Assets – (cont'd)

c) *Goat/Surprise Creek* – (cont'd)

On September 7, 2017, the Company was granted the option to acquire a 60% interest in the Surprise Creek Property. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 60% interest is as follows:

*Cash payments:*

- i) \$5,000 (paid) and \$300,000 portable assessment credits on signing;
- ii) a further \$15,000 on or before September 7, 2019;
- iii) a further \$20,000 on or before September 7, 2020.

*Exploration expenditures:*

- i) \$50,000 on or before September 7, 2019;
- ii) a further \$70,000 on or before September 7, 2020.

During the quarter ended October 31, 2019, the Company decided not to proceed with the Surprise Creek Option agreement and have recorded an impairment of \$12,265 to write-off the \$5,000 in acquisition cost and \$7,265 in exploration expenditures. The Surprise Creek property was contiguous to the Goat project.

d) *Bow #1*

On October 11, 2013, the Company entered into an agreement with a company with directors in common with the Company to purchase an 80% interest in the Bow #1 and Bow extension mineral claims located in the Skeena Mining District of British Columbia for \$280,000 of which \$28,900 is included in accounts payable and accrued liabilities at April 30, 2017. The balance of \$28,900 has been paid.

During the year ended April 30, 2018, the Company acquired the remaining 20% interest in the Bow#1 and Bow extension mineral claims for \$250,000 from a Company with common directors of which \$50,000 is included in accounts payable as at April 30, 2018 and was subsequently paid.

The property is subject to a 3% net smelter return royalty on mineral products removed from the property, being reduced to a 1% net smelter return upon having paid a sum of \$600,000 pursuant to the royalty.

On December 12, 2018, the Company entered into an option agreement with Scottie Resources Corp. (formerly Rotation Minerals Ltd.) (“Scottie Resources”), a company connected by way of a common director, whereby the Company has granted an exclusive option to Scottie Resources to acquire a 100% interest in the Bow claims, situated in the Skeena mining district in British Columbia. As consideration the Company will receive a total of \$1,000,000 in five equal instalments, and subject to a 3% net smelter return royalty, as follows:

**Decade Resources Ltd.**

Notes to the Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

Note 5 Exploration and Evaluation Assets – (cont'd)

d) **Bow #1** – (cont'd)

*Cash payments to the Company:*

- i) \$200,000 on signing (received);
- ii) a further \$200,000 on or before June 12, 2019; (received)
- iii) a further \$200,000 on or before December 12, 2019 (subsequently received);
- iv) a further \$200,000 on or before June 12, 2020; and
- v) a further \$200,000 on or before December 12, 2020.

In the event all the payments are not made, Scottie Resources will have no interest in the Bow property.

As a result of the option agreement with Scottie Resources, the Company recorded an impairment on the balance of \$1,971,233 to write-down the property to its estimated recoverable amount of \$1,000,000 at April 30, 2019.

e) **Georgia River**

By an option agreement dated April 10, 2017, the Company was granted the option to acquire a 75% interest in the Georgia River Property, situated 13 kilometres south of Stewart, British Columbia. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 75% interest is as follows:

*Cash payments:*

- i) \$50,000 on execution of the option agreement (paid);
- ii) a further \$75,000 on or before April 10, 2018 (paid);
- iii) a further \$150,000 on or before April 10, 2019;
- iv) a further \$200,000 on or before April 10, 2020.

*Exploration expenditures:*

- i) \$250,000 on or before April 10, 2018 (deemed incurred);
- i) a further \$500,000 on or before April 10, 2019;
- iii) a further \$750,000 on or before April 10, 2020;
- iv) a further \$1,000,000 on or before April 10, 2021.

As at April 30, 2019, the Company has decided not to proceed with this option agreement and has recorded an impairment of \$127,780 to write-off the carrying value of the property.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

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(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 5 Exploration and Evaluation Assets – (cont'd)

f) ***Treasure Mountain***

On July 31, 2017, the Company entered into a property purchase agreement to acquire a 100% interest in 37 mineral claims in northern British Columbia for 2,700,000 common shares. The Company received TSX-V acceptance of the property purchase agreement on August 10, 2017 and issued the vendor 2,700,000 common shares with a fair value of \$418,500 on August 14, 2017. The Company received a reclamation deposit refund of \$28,200 from the vendor which was offset against the acquisition costs of the property and staked three additional claims at a cost of \$7,326. During the year ended April 30, 2019, the Company staked five additional claims at a cost of \$10,231.

g) ***Red Cliff Extension***

On September 7, 2017, the Company was granted the option to acquire a 80% interest in the Red Cliff Extension Property. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 80% interest is as follows:

*Cash payments:*

- i) \$5,000 (paid) and \$300,000 portable assessment credits on signing;
- ii) a further \$10,000 on or before September 7, 2019;
- iii) a further \$20,000 on or before September 7, 2020.

*Exploration expenditures:*

- i) \$30,000 on or before September 7, 2019;
- ii) a further \$50,000 on or before September 7, 2020.

On October 19, 2017, the Company paid \$1,263 to the Minister of Finance in lieu of exploration work.

During the six months ended October 31, 2019, the Company decided not to proceed with this option agreement and has recorded an impairment of \$6,264 to write-off the carrying value of the property.

h) ***Starpower Claim***

On March 23, 2018, the Company was granted the option to acquire a 100% interest in the Starpower Claim Property, situated in the Omineca Mining Division, British Columbia. The property is subject to a 2.5% net smelter return upon exercise of the option, and after the sixth anniversary the Company shall make advance royalty payments of \$50,000 per year, until such time as payments equalling \$2,500,000 has been paid to the Optionor. The Company may also purchase the royalty from the Optionor at any time for \$2,500,000, less any advance royalty payment. Consideration to earn the 100% interest is as follows:

*Cash payments:*

- i) \$10,000 on signing (paid);
- ii) a further \$15,000 on or before March 23, 2019;
- iii) a further \$20,000 on or before March 23, 2020;
- iv) a further \$25,000 on or before March 23, 2021;
- v) a further \$30,000 on or before March 23, 2022; and
- vi) a further \$50,000 on or before March 23, 2023.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 5 Exploration and Evaluation Assets – (cont'd)

h) *Starpower Claim* – (cont'd)

*Common share issuances:*

- i) 300,000 common shares (issued) within five Business Days of March 23, 2018;
- ii) an additional 400,000 common shares on or before March 23, 2019;
- iii) an additional 500,000 common shares on or before March 23, 2020;
- iv) an additional 500,000 common shares on or before March 23, 2021;
- v) an additional 500,000 common shares on or before March 23, 2022 ; and
- vi) an additional 500,000 common shares on or before March 23, 2023.

As at April 30, 2019, the Company has decided not to proceed with this option agreement and has recorded an impairment of \$25,000 to write-off the carrying value of the property.

i) *Cressy property*

On November 6, 2018, the Company staked 19 claims totalling approximately 158 hectares in the Hyder mining division in Alaska for \$10,000. These claims are situated along the international border and are adjacent to the Premier mine property located on the Canadian side of the border.

j) *Terrace property*

On July 8, 2019, the Company was granted the option to acquire a 100% interest in the Terrace Property, situated in the Omineca Mining Division, British Columbia. Consideration to earn the 100% interest is as follows:

*Cash payments:*

- i) \$20,000 on signing (paid);
- ii) a further \$30,000 on or before July 8, 2020;
- iii) a further \$50,000 on or before July 8, 2021; and
- iv) a further \$200,000 on or before July 8, 2022.

The property is subject to a 3.0% net smelter return upon exercise of the option, and upon the commencement of commercial production. Upon commencement of commercial production, the Company shall make quarterly royalty payments owing and payable to the Optioner one-hundred-twenty days following the completion of the Company's quarter end. The Net smelter return payments are to be based on US value of metal prices and the Company is entitled to purchase 2% of the Royalty from the Optioner at any time for a cash payment of \$1,000,000.

During the six months ended October 31, 2019, the Company staked five additional claims totalling 3,625.3 hectares located 10 kilometres east of Terrace at a cost of \$9,175.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 6 Share Capital

a) *Authorized:*

Unlimited number of common shares without par value.

b) *Issued:*

For the six months ended October 31, 2019:

The Company did not issue any shares during the six months ended October 31, 2019.

Year Ended April 30, 2019:

On June 15, 2018, the Company issued 26,810,385 common shares pursuant to a private placement for gross proceeds of \$1,409,750. The private placement was comprised of 4,615,385 flow-through units at \$0.065 per unit for proceeds of \$300,000 with each unit containing one flow-through common share and one transferable non flow-through share purchase warrant entitling the holder to purchase an additional common share at \$0.08 expiring on December 14, 2020. The private placement was also comprised of 22,195,000 non-flow through units at a price of \$0.05 per non-flow through unit for gross proceeds of \$1,109,750. Each non-flow-through unit is comprised of one common share and one transferable warrant being exercisable for the purchase of one additional common share at a price of \$0.07 per share expiring on December 14, 2020. No finders' fees were paid in connection with the private placement. The Company recognized a flow-through premium of \$69,231 on the private placement. As at April 30, 2019, the Company had incurred the exploration expenditures and have reversed the flow-through premium of \$69,231 to other income.

On September 18, 2018, the Company issued 2,503,845 common shares pursuant to a private placement for gross proceeds of \$162,750. The private placement was comprised of 2,503,845 flow-through units at \$0.065 per unit for proceeds of \$162,750 with each unit containing one flow-through common share and one transferable non flow-through share purchase warrant entitling the holder to purchase an additional common share at \$0.08 expiring on September 18, 2020. No finders' fees were paid in connection with the private placement. The Company recognized a flow-through premium of \$12,519 on the private placement. As at April 30, 2019, the Company had incurred the exploration expenditures and have reversed the flow-through premium of \$12,519 to other income.

On October 4, 2018, the Company issued 10,000,000 common shares pursuant to a private placement for gross proceeds of \$500,000. The private placement was comprised of 10,000,000 non-flow through units at a price of \$0.05 per non-flow through unit for gross proceeds of \$500,000. Each non-flow-through unit is comprised of one common share and one transferable warrant being exercisable for the purchase of one additional common share at a price of \$0.055 per share expiring on October 4, 2021. No finders' fees were paid in connection with the private placement.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 6 Share Capital – (cont'd)b) **Issued:** - (cont'd)Year Ended April 30, 2019: - (cont'd)

On November 5, 2018, the Company closed a second tranche of its non-brokered private placement for a total of 1,742,384 flow-through units at a price of \$0.065 per unit for total proceeds of \$113,255. Each unit consists of one flow-through common shares of the Company and one transferable non-flow-through common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.08 expiring on November 5, 2020. No finders' fees were paid in connection with the private placement. The Company recognized a flow-through premium of \$8,712 on the private placement. As at April 30, 2019, the Company had incurred the exploration expenditures and have reversed the flow-through premium of \$8,712 to other income.

c) **Commitments:***Share Purchase Warrants:*

A summary of share purchase warrant activity for the six months ended October 31, 2019 and for the year ended April 30, 2019 is presented below:

	<u>Six months ended</u> <u>October 31, 2019</u>		<u>Year ended</u> <u>April 30, 2019</u>	
	<u>Warrants</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>	<u>Warrants</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>
Outstanding, beginning of period	68,258,964	\$0.08	33,900,207	\$0.10
Issued	-	\$-	41,056,614	\$0.07
Expired	<u>(21,522,350)</u>	<u>\$0.09</u>	<u>(6,697,857)</u>	<u>\$0.10</u>
Outstanding, end of period	<u>46,736,614</u>	<u>\$0.07</u>	<u>68,258,964</u>	<u>\$0.08</u>

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 6 Share Capital – (cont'd)c) *Commitments*: - (cont'd)*Share Purchase Warrants:*

At October 31, 2019, the Company had 46,736,614 share purchase warrants outstanding entitling the holders the right to purchase one common share for each warrant held as follows:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
5,680,000	\$0.10	December 22, 2019
2,503,845	\$0.08	September 18, 2020
1,742,384	\$0.08	November 5, 2020
4,615,385	\$0.08	December 14, 2020
22,195,000	\$0.07	December 14, 2020
<u>10,000,000</u>	\$0.055	October 4, 2021
<u>46,736,614</u>		

At October 31, 2019, the outstanding share purchase warrants had a weighted average remaining contractual life of 1.16 years.

*Share-based Compensation Plan:*

The Company has a Stock Option Plan (“the Plan”) under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is limited to 10% of the number of issued and outstanding common shares of the Company at the date of grant. The exercise price of options granted under the Plan may not be less than the market value of the Company’s common shares on the date of grant. Options granted under the Plan have a maximum life of five years and vest on the date of grant or over periods determined by management.

There were no stock options granted during the six months ended October 31, 2019.

At October 31, 2019, the Company had 12,500,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
600,000	\$0.08	February 23, 2020
3,800,000	\$0.06	March 1, 2020
<u>8,100,000</u>	\$0.06	March 1, 2023
<u>12,500,000</u>		

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 6 Share Capital – (cont'd)c) *Commitments*: - (cont'd)*Share-based Compensation Plan*: - (cont'd)

A summary of stock option activity for the six months ended October 31, 2019 and for the year ended April 30, 2019 is presented below:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life</u>
Outstanding, April 30, 2018	<u>12,500,000</u>	\$0.06	3.78 years
Outstanding and exercisable, April 30, 2019 and October 31, 2019	<u>12,500,000</u>	<u>\$0.06</u>	2.78 years 2.28 years

Note 7 Related Party Transactions

The Company incurred the following charges by directors of the Company, by companies with directors in common with the Company and by a company managed by a director of the Company for the six months ended October 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Consulting fees	\$ 48,000	\$ 48,000
Exploration and evaluation assets – drilling	-	1,735,200
Exploration and evaluation assets – equipment rental	16,875	41,738
Exploration and evaluation assets – field supplies and miscellaneous	-	7,000
Exploration and evaluation assets – geological	-	2,000
Exploration and evaluation assets – supervision	430	58,000
Management fees	<u>120,000</u>	<u>120,000</u>
	<u>\$ 185,305</u>	<u>\$ 2,011,938</u>

At October 31, 2019, accounts receivable includes \$114,604 (April 30, 2019: \$925,000) due from Mountain Boy, a public company with former directors in common with the Company.

At October 31, 2019, exploration advances includes \$Nil (April 30, 2019: \$2,000) paid to a company with directors in common with the Company.

At October 31, 2019, accounts payable and accrued liabilities includes \$297,217 (April 30, 2019: \$869,147) due to a director of the Company, to companies with directors in common with the Company and to a company managed by a director of the Company for unpaid fees.

At October 31, 2019, the amount due to related party of \$139,500 is due to a Company with common directors and are unsecured, non-interest bearing and have no fixed terms of repayment.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 7 Related Party Transactions - (cont'd)Key management compensation

The Company considers its Chief Executive Officer and Chief Financial Officer to be key management. During the six months ended October 31, 2019 and 2018, the Company incurred the following key management charges:

	<u>2019</u>	<u>2018</u>
Management fees	\$ <u>120,000</u>	\$ <u>120,000</u>
	<u>\$ 120,000</u>	<u>\$ 120,000</u>

Note 8 Financial Instruments and Risk Management

The carrying amounts of financial assets and liabilities approximate their 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 consist of cash, accounts receivable and accounts payable. Cash has been classified as FVTPL. Accounts receivable are classified as loans and receivables. Accounts payable are classified as other financial liabilities.

The fair value of the Company's cash was measured using level one of the fair value hierarchy.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and accounts receivable are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with large financial institutions.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's considers its exposure to interest rate risk to be not significant.

**Decade Resources Ltd.**

Notes to the Condensed Interim Financial Statements

October 31, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 8 Financial Instruments and Risk Management – (cont'd)

*Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it always has sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. When future cash flows are uncertain, the liquidity risk increases.

The Company budgets with a plan to have sufficient cash on demand to meet expected operational expenses for a period of 30 days. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The Company prepares monthly operating expenditure budgets, which are regularly monitored and updated as considered necessary. The Company intends to meet its current obligations through funds to be raised via the private placement of shares and through related party loans.

**DECADE RESOURCES LTD.**  
**CONDENSED INTERIM SCHEDULE OF EXPLORATION AND EVALUATION ASSETS**  
for the six months ended October 31, 2019  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<u>Silver Crown</u>	<u>Red Cliff</u>	<u>Goat/ Surprise Creek</u>	<u>Bow #1</u>	<u>Treasure Mountain</u>	<u>Red Cliff Extension</u>	<u>Cressy Property</u>	<u>Terrace Property</u>	<u>Total</u>
Property acquisition costs									
Balance, April 30, 2019	\$ 178,000	\$ 466,085	\$ 112,500	\$ 530,000	\$ 407,857	\$ 6,264	\$ 10,000	\$ -	\$ 1,710,706
Cash paid	10,000	-	-	-	-	-	-	20,000	30,000
Staking	-	-	3,192	-	-	-	-	9,175	12,367
Impairment	-	-	(5,000)	-	-	(6,264)	-	-	(11,264)
Balance, October 31, 2019	<u>188,000</u>	<u>466,085</u>	<u>110,692</u>	<u>530,000</u>	<u>407,857</u>	<u>-</u>	<u>10,000</u>	<u>29,175</u>	<u>1,741,809</u>
Deferred exploration costs									
Balance, April 30, 2019	602,083	12,670,404	361,039	470,000	174,816	-	-	-	14,278,342
Assays	1,500	22,933	3,542	-	-	-	677	7,085	35,737
Equipment rental – Note 7	-	-	14,929	-	-	-	-	7,545	22,474
Field and supplies	-	571	22,429	-	-	-	4,302	9,343	36,645
Geological	-	6,496	26,880	-	-	-	-	26,050	59,426
Helicopter	-	-	5,235	-	-	-	-	-	5,235
Labour	900	11,294	7,004	-	-	-	-	3,240	22,438
Supervision – Note 7	-	430	-	-	-	-	-	-	430
Impairment	-	-	(7,265)	-	-	-	-	-	(7,265)
Balance, October 31, 2019	<u>604,483</u>	<u>12,712,128</u>	<u>433,793</u>	<u>470,000</u>	<u>174,816</u>	<u>-</u>	<u>4,979</u>	<u>53,263</u>	<u>14,453,462</u>
Cost recoveries									
Balance, April 30, 2019	(70,251)	(3,951,304)	-	(200,000)	-	-	-	-	(4,221,555)
Option proceeds	-	-	-	(200,000)	-	-	-	-	(200,000)
Joint venture – Note 5	-	(14,603)	-	-	-	-	-	-	(14,603)
Balance, October 31, 2019	<u>(70,251)</u>	<u>(3,965,907)</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,436,158)</u>
Totals	<u>\$ 722,232</u>	<u>\$ 9,212,306</u>	<u>\$ 544,485</u>	<u>\$ 600,000</u>	<u>\$ 582,673</u>	<u>\$ -</u>	<u>\$ 14,979</u>	<u>\$ 82,438</u>	<u>\$ 11,759,113</u>

**DECADE RESOURCES LTD.**  
**SCHEDULE OF EXPLORATION AND EVALUATION ASSETS**  
for the year ended April 30, 2019  
(Stated in Canadian Dollars)

	<u>Silver Crown</u>	<u>Red Cliff</u>	<u>Goat/ Surprise Creek</u>	<u>Bow #1</u>	<u>Treasure Mountain</u>	<u>Georgia River</u>	<u>Red Cliff Extension</u>	<u>Starpower</u>	<u>Cressy Property</u>	<u>Total</u>
Property acquisition costs										
Balance, April 30, 2018	\$ 178,000	\$ 466,085	\$ 112,500	\$ 530,000	\$ 397,626	\$ 125,000	\$ 6,264	\$ 25,000	\$ -	\$ 1,840,475
Cash paid	-	-	-	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-	-	-	-
Staking – Note 7	-	-	-	-	10,231	-	-	-	10,000	20,231
Impairment	-	-	-	-	-	(125,000)	-	(25,000)	-	(150,000)
Balance, April 30, 2019	<u>178,000</u>	<u>466,085</u>	<u>112,500</u>	<u>530,000</u>	<u>407,857</u>	<u>-</u>	<u>6,264</u>	<u>-</u>	<u>10,000</u>	<u>1,710,706</u>
Deferred exploration costs										
Balance, April 30, 2018	599,192	10,590,094	317,888	2,433,420	26,165	1,100	-	-	-	13,967,859
Assays – Note 7	-	83,538	-	-	-	-	-	-	-	83,538
Drilling – Note 7	1,400	1,737,310	-	-	-	-	-	-	-	1,738,710
Equipment rental – Note 7	-	27,891	16,250	-	-	1,523	-	-	-	45,664
Field and supplies – Note 7	191	80,382	6,901	5,419	19,258	107	-	-	-	112,258
Geological – Note 7	500	9,100	-	-	95,915	50	-	-	-	105,565
Helicopter	-	-	-	-	21,978	-	-	-	-	21,978
Labour – Note 7	800	43,539	20,000	2,394	-	-	-	-	-	66,733
Supervision – Note 7	-	98,300	-	-	11,500	-	-	-	-	109,800
Surveying	-	250	-	-	-	-	-	-	-	250
Impairment	-	-	-	(1,971,233)	-	(2,780)	-	-	-	(1,974,013)
Balance, April 30, 2019	<u>602,083</u>	<u>12,670,404</u>	<u>361,039</u>	<u>470,000</u>	<u>174,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,278,342</u>
Cost recoveries										
Balance, April 30, 2018	(70,251)	(3,433,452)	-	-	-	-	-	-	-	(3,503,703)
Option proceeds	-	-	-	(200,000)	-	-	-	-	-	(200,000)
Joint venture – Note 5	-	(517,852)	-	-	-	-	-	-	-	(517,852)
Balance, April 30, 2019	<u>(70,251)</u>	<u>(3,951,304)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,221,555)</u>
Totals	<u>\$ 709,832</u>	<u>\$ 9,185,185</u>	<u>\$ 473,539</u>	<u>\$ 800,000</u>	<u>\$ 582,673</u>	<u>\$ -</u>	<u>\$ 6,264</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 11,767,493</u>