



(an exploration stage enterprise)

Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

NOTICE TO READERS

Under National Instrument 51-102, Part 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The condensed interim consolidated financial statements of Eros Resources Corp. (an exploration stage company) are the responsibility of the Company's management. The condensed interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors.

The Company's independent auditors have not performed an audit or review of these condensed interim consolidated financial statements.

"Ronald K. Netolitzky"

Ronald K. Netolitzky
Chief Executive Officer

"Andrew Davidson"

Andrew Davidson
Chief Financial Officer

Vancouver, British Columbia
November 29, 2019

EROS RESOURCES CORP.*(an exploration stage enterprise)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(unaudited - expressed in Canadian dollars)

	Note	September 30, 2019	December 31, 2018
Assets			
Current			
Cash and cash equivalents		\$ 330,670	\$ 827,405
Accounts receivable		195,377	111,674
Prepaid expenses		75,013	26,091
Promissory notes receivable	10	250,500	-
		851,560	965,170
Marketable securities	5	4,660,470	4,290,514
Reclamation bonds		26,179	26,179
Exploration and evaluation interests	6	1,611,051	459,994
Property and equipment	7	21,587	8,423
		\$ 7,170,847	\$ 5,750,280
Liabilities			
Current			
Accounts payable and accrued liabilities	10	\$ 525,280	\$ 165,257
Decommissioning liability	11	131,729	129,789
Deferred income tax		3,113,280	3,113,280
		3,770,289	3,408,326
Shareholders' Equity			
Capital stock	8	72,394,552	72,394,552
Contributed surplus	9	1,024,025	962,576
Deficit		(70,018,018)	(71,015,174)
		3,400,558	2,341,954
		\$ 7,170,847	\$ 5,750,280

Note 1: Going Concern**On behalf of the Board:***"Tom MacNeill"*

Tom MacNeill, Director

"Ross McElroy"

Ross McElroy, Director

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

EROS RESOURCES CORP.*(an exploration stage enterprise)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(unaudited - expressed in Canadian dollars)

	<u>Capital Stock</u>		Contributed Surplus	Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance at January 1, 2018 (restated)	48,446,854	\$ 72,394,552	\$ 925,839	\$ (65,617,958)	\$ 7,702,433
Share-based payments	-	-	18,379	-	18,379
Net income for the period	-	-	-	(2,821,778)	(2,821,778)
Balance at September 30, 2018	48,446,854	72,394,552	944,218	(68,439,736)	4,899,034
Balance at January 1, 2019	48,446,854	72,394,552	962,576	(71,015,174)	2,341,954
Share-based payments	-	-	61,449	-	61,449
Net income for the period	-	-	-	997,155	997,155
Balance at September 30, 2019	48,446,854	\$ 72,394,552	\$ 1,024,025	\$ (70,018,018)	\$ 3,400,558

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

EROS RESOURCES CORP.*(an exploration stage enterprise)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME**

(unaudited - expressed in Canadian dollars)

		For the three months ended September 30		For the nine months ended September 30	
	Note	2019	2018	2019	2018
Revenues					
Oil Revenues	9	\$ 275	\$ 98,522	\$ 37,253	\$ 280,109
Royalties	9	-	(18,335)	(6,801)	(39,471)
Net Revenue		275	80,187	30,452	240,638
Oil production expenses	9	-	(41,591)	(19,042)	(205,282)
Depletion expense	7	-	(16,659)	-	(48,874)
Gross profit (loss)		275	21,937	11,410	(13,518)
Expenses					
Amortization		\$ 534	\$ 526	\$ 1,603	\$ 1,579
Consulting fees	9	7,500	7,500	20,640	24,900
Investor relations		95	-	170	-
Office and administration		5,053	15,449	31,851	39,753
Professional fees		1,812	26,462	36,624	83,246
Property research		-	-	-	70,556
Stock based compensation	8, 9	61,449	6,679	61,449	18,379
Transfer agent and listing fees		1,013	6,973	11,605	21,713
Travel		-	325	6,078	1,102
Wages and benefits	9	32,290	19,862	145,950	304,819
		(109,746)	(83,776)	(315,970)	(566,047)
Other items					
Interest income		7,561	6,661	29,219	41,816
Gain (loss) on foreign exchange		(14,612)	(12,151)	(35,096)	24,839
Accretion		-	(940)	(1,940)	(2,820)
Loss on disposal of equipment		-	-	-	(3,217)
Unreal. gain (loss) on marketable sec's		281,191	(797,592)	1,671,985	(2,866,370)
Gain (loss) on sale of marketable sec's		(193,492)	11,276	(362,453)	78,133
Income (Loss) before income taxes		(28,823)	(854,585)	997,155	(3,307,184)
Income taxes					
Deferred income tax recovery		-	19,440	-	485,406
Total comprehensive income (loss) for the period		\$ (28,823)	\$ (835,145)	\$ 997,155	\$ (2,821,778)
Basic and diluted net income (loss) per share					
		\$ (0.00)	\$ (0.02)	\$ 0.02	\$ (0.06)
Weighted average number of common shares outstanding					
		48,446,854	48,446,854	48,446,854	48,446,854

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

EROS RESOURCES CORP.*(an exploration stage enterprise)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(unaudited - expressed in Canadian dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2019	2018	2019	2018
Cash from operating activities				
Net income (loss) for the period	\$ (28,823)	\$ (835,145)	\$ 997,155	\$ (2,821,778)
Add back non-cash items:				
Accretion	-	940	1,940	2,820
Amortization	535	526	1,604	1,579
Depletion	-	16,659	-	48,874
Stock based compensation	61,499	6,679	61,499	18,379
Loss (gain) on sale of marketable	215,267	(11,276)	384,228	(78,133)
Unrealized (gain) loss on marketable securities held for trading	(280,974)	797,592	(1,671,768)	2,866,370
Loss (gain) on foreign exchange	21,062	(9,836)	35,096	24,839
Deferred income tax recovery	-	(19,440)	-	(485,406)
Changes in non-cash working capital:				
Accounts receivable	(87,822)	(47,939)	(334,203)	(16,849)
Prepaid expenses	(46,981)	40,659	(48,921)	20,863
AP and accrued liabilities	336,497	2,656	360,022	(83,127)
Cash from (used in) operating activities	190,210	(57,925)	(213,398)	(501,569)
Investing activities				
Acquisition of marketable securities	(215,266)	(108,530)	(687,379)	(2,011,749)
Transfer of prepaid authorization for expenditure to accounts receivable	-	-	-	56,014
Proceeds on sale of marketable securities	706,828	73,106	1,590,196	238,151
Exploration and evaluation expenditures	(515,029)	(181,838)	(1,151,057)	(313,264)
Cash from (used in) investing activities	(23,468)	(217,262)	(248,241)	(2,030,848)
Financing activities				
Proceeds from issuance of shares	-	-	-	-
Cash from financing activities	-	-	-	-
Foreign exchange gain on cash	(21,062)	15,788	(35,096)	(16,572)
Increase (decrease) in cash during the period	145,680	(259,399)	(496,735)	(2,548,989)
Cash and cash equivalents, beginning of the period	184,990	1,279,590	827,405	3,569,180
Cash and cash equivalents, end of the period	\$ 330,670	\$ 1,020,191	\$ 330,670	\$ 1,020,191
Cash and cash equivalents consist of:				
Cash	\$ 330,670	\$ 1,020,191	\$ 330,670	\$ 1,020,191
Short-term deposits	-	-	-	-
	\$ 330,670	\$ 1,020,191	\$ 330,670	\$ 1,020,191
Supplemental Cash Flow Information				
Interest received	\$ -	\$ -	\$ -	\$ 40,103

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

EROS RESOURCES CORP.

(an exploration stage enterprise)

Notes to the Condensed Interim Consolidated Financial Statements For the nine months ended September 30, 2019 and 2018 (unaudited - expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Eros Resources Corp.'s ("Eros" or the "Company") principal business activities include the acquisition, exploration and development of mineral and oil and gas resource properties in North America. The Company's corporate office is located at Suite 420, 789 West Pender Street, Vancouver, British Columbia V6C 1H2. Eros is a Tier 1 company on the TSX Venture Exchange ("TSX-V").

These condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with IFRS under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses that will generate positive cash flow.

The business of mining and exploring for minerals and oil and gas reserves involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise alternative financing.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements, including International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting.

These condensed interim consolidated financial statements include the accounts of Eros and its wholly owned subsidiaries, Anthem Resources Incorporated ("Anthem") and Otish Minerals Ltd., both companies incorporated in British Columbia, and Bell Mountain Exploration Corp. ("Bell Mountain"), a company incorporated in Nevada, USA.

These condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. In addition, these financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company and its subsidiaries functional currency.

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 areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

EROS RESOURCES CORP.

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Notes to the Condensed Interim Consolidated Financial Statements For the nine months ended September 30, 2019 and 2018 (unaudited - expressed in Canadian dollars)

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The following new standards, and amendments to standards and interpretations, were first adopted in the nine month period ended September 30, 2019:

Accounting standards issued and effective January 1, 2019

IFRS 16 Leases

A finalized version of IFRS 16 *Leases* replaces IAS 17 *Leases*. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting period beginning on or after January 1, 2019.

The adoption of this standard will not have a material impact on the Company's consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23")

This new interpretation, issued by the IASB in June 2017, clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments.

The main features of IFRIC 23 are as follows:

- An entity considers an uncertain tax treatment separately or together with other uncertain tax treatments depending on which approach better predicts the resolution of the uncertainty.
- Taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates are determined based on whether it is probable that a taxation authority will accept an uncertain tax treatment.
- An entity reassesses judgements or estimates relating to uncertain tax treatment when facts and circumstances change.

The interpretation is effective for the Company's annual period beginning January 1, 2019. The adoption of IFRIC 23 will not have a material impact on the Company's consolidated financial statements.

EROS RESOURCES CORP.

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2019 and 2018

(unaudited - expressed in Canadian dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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

The marketable securities which consist of common shares are based on quoted prices and are therefore considered to be Level 1. The marketable securities which consist of warrants are based on inputs other than quoted prices and therefor considered Level 2. The Company's risk exposures are summarized below:

Credit risk

Credit risk is the risk that the Company will incur an unexpected loss as a result of the counterparty to a financial asset failing to meet their contractual obligations. The Company's financial assets that are exposed to credit risk and cash and cash equivalents, accounts receivable, and promissory notes receivable. The Company holds cash at a major Canadian financial institution in accordance with the Company's investment policy. Management considers credit risk on cash to be low, as the counterparties are highly rated Canadian banks. The Company is exposed to some credit risk on accounts receivable and promissory notes receivable, apart from sales tax refunds receivable.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. Market risk to which the Company is exposed is as follows:

Interest rate risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the nine months ended September 30, 2019 and 2018****(unaudited - expressed in Canadian dollars)***Foreign currency risk*

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's future results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at September 30, 2019 and December 31, 2018, the Company is exposed to currency risk through the following financial assets denominated in a currency other than the Canadian dollar:

	September 30, 2019		December 31, 2018	
	US \$	CDN \$	US \$	CDN \$
Cash	\$ 55,756	\$ 260,354	380,717	519,215
Accounts payable	(198,428)	(48,433)	(60,022)	(81,858)

Based on the above, assuming all other variables remain constant, a 10% strengthening of the Canadian dollar against the US dollar would have increased the Company's comprehensive income by 25,419 (December 31, 2018 - \$43,736 decrease). A weakening of the Canadian dollar would have the opposite effect.

Other price risk

Other price risk is the risk that the fair value or 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's marketable securities are carried at market value, and are therefore directly affected by fluctuations in the market value of the underlying securities. Changes in market prices of securities in the portfolio have a material effect on net income (loss). A 20% increase in the market prices would have increased the Company's net income by \$932,094 (December 31, 2018 - \$858,103). A 20% decrease in the market prices of these securities would have decreased the Company's net income by the same amount.

5. MARKETABLE SECURITIES

Company	September 30, 2019			
	Number of common shares	Equity securities	Convertible to equity securities	Total
Bullfrog Gold Corp.	8,750,000	\$ 1,050,000	\$ -	\$ 1,050,000
Canamex Resources Corp. convertible debentures	1,875,000	-	\$ 300,000	\$ 300,000
MAS Gold Corp.	1,833,333	110,000	-	110,000
Nickel North Exploration Corp.	10,933,707	109,337	-	109,337
Skeena Resources Ltd. (Note Error! Reference source not found.)	4,732,082	2,129,437	-	2,129,437
Strongbow Exploration Inc.	1,668,000	83,400	-	83,400
Tarku Resources Ltd.	4,700,000	117,500	-	117,500
Atico Mining Inc.	312,706	109,447	-	109,447
Westcore (Note Error! Reference source not found.)	8,800,000	44,000	-	44,000
Other equities and warrants	-	482,056	125,293	607,349

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the nine months ended September 30, 2019 and 2018****(unaudited - expressed in Canadian dollars)**

	\$ 4,235,177	\$ 425,293	\$ 4,660,470
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5. MARKETABLE SECURITIES (continued)

Company	December 31, 2018			
	Number of common shares	Equity securities	Convertible to equity securities	Total
Canamex Resources Corp.				
convertible debentures	1,875,000	\$ -	\$ 300,000	300,000
Bullfrog Gold Corp	6,750,000	368,105	-	368,105
Nickel North Exploration Corp.	10,933,707	164,006	-	164,006
GT Gold Corp.	351,634	208,397	-	208,397
Skeena Resources Ltd.	6,217,582	1,865,275	-	1,865,275
Strongbow Exploration Inc.	1,618,000	177,980	-	177,980
Toachi Mining	1,256,000	119,320	-	119,320
Westcore Energy Ltd.	8,800,000	132,000	-	132,000
Other equities and warrants	-	902,325	53,106	955,431
		\$ 3,937,408	\$ 353,106	\$ 4,290,514

Securities were purchased and sold during the period, resulting in the realization of gains and losses. The fair value of shares is determined by reference to closing prices on a stock exchange. The fair value of warrants is determined using the Black-Scholes option pricing model. The fair value of convertible debentures is determined as being the share price, subject to a floor price of the conversion price. The marketable securities portfolio includes warrants, which are classified as fair value through profit or loss. The warrants' fair values were estimated using the Black Scholes option pricing model using the following ranges of inputs:

	September 30, 2019	December 31, 2018
Stock price	Closing prices	Closing prices
Exercise price	\$0.085 to \$0.60	\$0.085 to \$1.60
Expected life	0.03 to 2.14 years	0.13 to 2.64 years
Annualized volatility	80%	80%
Dividend rate	0%	0%
Risk-free interest rate	1.58% to 1.59%	01.54% to 1.56%

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the nine months ended September 30, 2019 and 2018****(unaudited - expressed in Canadian dollars)****6. EXPLORATION AND EVALUATION INTERESTS**

The investment in exploration and evaluation assets to September 30, 2019 has been capitalized as follows:

Commodity	British Columbia	Saskatchewan		Nevada	Total
	Gold	Heavy Oil	Uranium	Gold	
Balance at					
December 31, 2017	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500
Land cost	-	55,875	-	54,996	110,871
Staking and maintenance	-	-	-	61,241	61,241
Geology/ geophysics	-	26,580	4,601	249,225	280,406
Analyses	-	-	-	-	-
Field support	-	-	-	57,251	57,251
Environmental and socio-economic	-	-	-	26,180	26,180
Total additions for the period:	-	82,455	4,601	448,893	535,949
Impairment of exploration and evaluation assets	-	(82,455)	-	-	(82,455)
Balance at					
December 31, 2018	6,500	-	4,601	448,893	459,994
Land costs	-	-	-	(585)	(1,615)
Staking and maintenance	-	-	-	176,584	176,584
Geology/ geophysics	-	-	-	492,630	492,630
Field support	-	-	-	37,885	37,885
Environmental and socio-economic	-	-	-	444,543	444,543
Total additions for the period:	-	-	-	1,151,057	1,151,057
Balance at					
September 30, 2019	\$ 6,500	\$ -	\$ 4,601	\$ 1,599,950	\$ 1,611,051

EROS RESOURCES CORP.

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**Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended September 30, 2019 and 2018
(unaudited - expressed in Canadian dollars)**

6. EXPLORATION AND EVALUATION INTERESTS (continued)**Realization of exploration and evaluation assets**

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment and maintenance of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. There can be no assurance that compensation will be received for properties that have been or may be expropriated. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or if the claims are allowed to lapse.

Title to exploration and evaluation interests

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties. The Company has investigated title to its mineral property interests in accordance with industry standards for the current stage of exploration of such properties, and, to the best of its knowledge, title to its properties are in good standing; however, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2019 and 2018

(unaudited - expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION INTERESTS (continued)

a. Nevada

In August 2016, the Department of the Navy of the United States Department of Defence (the "Navy") issued a notice of its intent to prepare an environmental impact statement ("EIS") regarding a proposed expansion of the Fallon Range Training Complex, including a proposed withdrawal and reservation for military use of public lands. The Company's Bell Mountain Project consists of unpatented mining claims that are located on federal lands within the proposed expansion area. For a period of two years, the Company was restricted from conducting any new project advancement that required surface disturbance. This withdrawal notice has expired. On August 31, 2018, the Bureau of Land Management ("BLM") of the Department of the Interior issued a Public Land Order in the Federal Register creating an additional four-year withdrawal of public lands to allow the Navy time to complete their EIS under the National Environment Policy Act ("NEPA"). Owing to on-going negotiations between the Company and the Navy/BLM, the Bell Mountain mining claims were specifically exempted from the new four-year withdrawal. Furthermore, the Navy is proposing a Special Land Management Area ("SLMA") which would allow for continued mineral exploration and development at the Bell Mountain project. While not assured, the SLMA is the preferred "Alternative 3" in the Navy's present expansion proposal. The Company is actively working with the Navy and BLM to move the project forward.

Bell Mountain Property

The Company has earned 100% ownership of the Bell Mountain gold-silver property. Advancement of the property towards production is no longer restricted by the BLM/Navy moratorium, as discussed above. A conceptual Plan of Operations has been submitted to the BLM and permitting and engineering work are in progress. An Environmental Assessment ("EA") under NEPA is also in progress. Stantec Consulting Services Inc. of Reno, Nevada is handling most permitting work. Welsh Hagen Associates of Reno, Nevada is handling most engineering work and also the Water Pollution Control Permit. The Company is working with the Navy and the NV Energy in an effort to acquire access to grid electrical power from an existing Navy powerline that runs directly to the Bell Mountain property. Geotechnical work at the proposed leach pad site is underway and confirmation drilling is planned. The Company is targeting the end of 2019 for the possible completion of NEPA documents.

An Advance Royalty Payment of \$20,000 is due annually on June 15 until such time as there is production from the property. In conjunction with the updated notice from the BLM in August of 2018 which exempts the Bell Mountain project from the moratorium on exploration activities, the Company is once again actively exploring its Nevada properties.

Eastgate Property

On May 25, 2015, the Company acquired a 30% interest in the Eastgate property in two transactions totalling US\$450,000. During the year ended December 31, 2016, the Company made a second payment of US\$200,000 to increase its property interest to 45%.

As a result of the Navy's proposed EIS, the Company impaired its interests in Nevada properties in accordance with Level 3 of the fair value hierarchy and recorded an impairment loss of \$3,572,897 for the year ended December 31, 2017. During the nine months ended September 30, 2019, the Company spent \$1,151,057 (December 31, 2018 - \$448,893) on the Nevada properties, which consist of the Bell Mountain and Eastgate properties.

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**Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended September 30, 2019 and 2018
(unaudited - expressed in Canadian dollars)**

6. EXPLORATION AND EVALUATION INTERESTS (continued)

During the quarter, the Company announced that it has entered into a transaction to dispose of its interests in the Eastgate and Oro Cruz properties, along with its shareholding position in Bullfrog Gold Corp., in exchange for a 36% ownership interest in the purchase, Owl Capital Corp. The transaction has not closed and is subject to a definitive agreement and TSX Venture approval.

b. British Columbia

Golden Triangle

The Company purchased a 5% minor investment interest in certain properties in the Golden Triangle area of northwest BC during the year ended December 31, 2016.

c. Saskatchewan

Saskatchewan uranium interests

Hatchet Lake and Murphy Lake Joint Ventures

The Company has an interest in two joint venture properties with Denison Mines Corp. (“Denison”) as operator, located on the Wollaston Trend at the northeast margin of the Athabasca Basin. Eros holds a 29.89% joint venture interest for Hatchet Lake, and 21.04% for Murphy Lake with no further dilution expected at this time.

Wollaston Trend

The Company has a 2% net smelter return royalty (“NSR”) interest on 44 claims of uranium exploration lands along the Wollaston Trend underlying the southeast margin of the Athabasca Formation. Denison retains the right to purchase one-half of the NSR at any time for \$1,000,000.

Athabasca Basin

The Company has a 100% interest in six claim groups in the Athabasca Northern Basin of Saskatchewan. Some of the claims are subject to a non-participating, non-voting, carried 0.5% NSR.

Saskatchewan non-producing oil and gas interests

In 2018, the Company agreed to lease 415 hectares of land near its Flaxcombe wells for a 2 year period with an option to extend the lease for an additional 2 years. The Company also acquired 2D and 3D seismic data for the region and had it analysed in order to help identify potential drilling targets. During the year ended December 31, 2018, as the Company decided not to continue exploration on the land, the Company impaired its interests in the Saskatchewan non-producing oil and gas interests in accordance with Level 3 of the fair value hierarchy and recorded an impairment loss of \$82,455.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the nine months ended September 30, 2019 and 2018****(unaudited - expressed in Canadian dollars)****7. PROPERTY AND EQUIPMENT**

Cost	Oil & gas interests and equipment	Mineral exploration field equipment	Total
Balance, December 31, 2017	\$ 738,700	\$ 94,930	\$ 833,630
Additions / disposals	-	-	-
Impairment	(346,490)	-	(346,490)
Balance, December 31, 2018	392,210	94,930	487,140
Additions / disposals	13,257	1,510	14,767
Balance, September 30, 2019	\$ 405,467	\$ 96,440	\$ 501,907
Accumulated Amortization			
Balance, December 31, 2017	\$ 338,700	\$ 84,401	\$ 423,101
Amortization / Depletion	53,510	2,106	55,616
Balance, December 31, 2018	392,210	86,507	478,717
Amortization / Depletion	-	1,603	1,603
Balance, September 30, 2019	\$ 392,210	\$ 88,110	\$ 480,320
Carrying Value			
Balance, December 31, 2018	\$ -	\$ 8,423	\$ 8,423
Balance, September 30, 2019	\$ 13,257	\$ 8,330	\$ 21,587

Flaxcombe – heavy oil

On February 6, 2017, Eros funded the drilling of three vertical wells into the Flaxcombe heavy oil field, owned by Westcore Energy Ltd. (“Westcore”). According to the terms of the agreement with Westcore, Eros holds a 90% working interest in the wells until its investment is recovered, and a 50% interest thereafter. In addition, Eros retains a right of first refusal to participate on the same terms on two subsequent drill programs on the Flaxcombe field. Westcore is a related party by virtue of having a director in common with the Company.

During the year ended December 31, 2017, due primarily to the Company’s market capitalization, an indicator of impairment existed leading to a test of recoverable amount of the oil and gas assets. The Company estimated the recoverable amount based on fair value less cost of disposal using a discounted cash flow model categorized in Level 3 of the fair value hierarchy. Key assumptions in the determination of cash flows from reserves include crude prices, future capital and operating expenditures and discount rates specific to the underlying composition of assets residing in the cash generating unit, applied to the reserves included in the year-end reserves report. The post-tax discount rate used was 16.5%. The Company recorded an impairment loss of \$930,286.

During the year ended December 31, 2018 and continuing through 2019, the wells have been offline for significant periods of time, triggering an impairment test of the recoverable amount of the oil and gas assets. The Company estimated the recoverable amount based on fair value less cost of disposing using a discounted cash flow model categorized in Level 3 of the fair value hierarchy. The Company recorded an impairment loss of \$346,490 at December 31, 2018.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended September 30, 2019 and 2018
(unaudited - expressed in Canadian dollars)****8. SHARE CAPITAL AND CONTRIBUTED SURPLUS****Authorized**

Unlimited number of common shares without par value

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants. Pursuant to the policies of the TSX-V, the Company is authorized to grant options to acquire up to 10% of its issued and outstanding common shares. The exercise price of each option granted under the plan is greater than or equal to the closing market price of the Company's shares on the date of each grant. The maximum term of each option is five years.

Shares options and warrants issued

On July 30, 2019, the board of directors of the Company authorized the grant of 2,400,000 stock options pursuant to the Company's stock option plan. 1,200,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at \$0.08 per share. 50% of the options vest immediately, with the remaining 50% vesting 12 months from the issue date. The options expire July 30, 2024, subject to earlier expiry in accordance with the stock option plan and applicable policies of the TSX-V.

The value of the options issued on July 30, 2019, using the Black-Scholes option pricing model, was \$113,444 (\$0.05 per option) of which the portion relating to the vested options was allocated to share-based compensation expense, with a corresponding increase in contributed surplus. Assumptions using the pricing model for the year are as follows: risk-free rate of 1.44%, expected life of 5 years, annualized volatility of 80% and dividend rate of nil.

Share-based payments

Stock option transactions are summarized as follows:

	Stock Options	
	Number	Weighted Average Exercise Price
Outstanding, December 31, 2017	4,181,250	\$ 0.175
Cancelled	(700,000)	\$ 0.176
Outstanding, December 31, 2018	3,481,250	\$ 0.174
Granted	2,400,000	\$ 0.080
Expired	(656,250)	\$ 0.142
Cancelled	(1,150,000)	\$ 0.176
Outstanding, September 30, 2019	4,075,000	\$ 0.122
Number currently exercisable	2,875,000	\$ 0.122

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the nine months ended September 30, 2019 and 2018****(unaudited - expressed in Canadian dollars)**

At September 30, 2019, stock options were outstanding as follows:

Grant date	Number of Shares	Exercise Price	Expiry Date
June 3, 2015	375,000	\$ 0.1733	June 3, 2020
June 5, 2015	225,000	\$ 0.1733	June 5, 2020
August 16, 2016	675,000	\$ 0.20	August 16, 2021
August 29, 2017	400,000	\$ 0.165	August 29, 2022
July 30, 2019	2,400,000	\$ 0.080	July 30, 2024
	4,075,000		

The weighted average remaining contractual life of the options is 3.55 years.

9. RELATED PARTY BALANCES**Key management compensation**

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the nine months ended September 30, 2019 and 2018 was as follows:

	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Share-based compensation	\$ 56,722	\$ 18,379
Short-term benefits ¹	\$ 111,784	\$ 84,028

¹ Remuneration consists exclusively of salaries, bonuses, health benefits and consulting fees.

See Note 7 in relation to three oil and gas wells drilled with Westcore. Eros and Westcore have a director and officer in common. During the quarter ended September 30, 2019, the Company showed \$64,757 (December 31, 2018 - \$67,460) in accounts receivable from Westcore. The Company also received \$37,253 (December 31, 2018 - \$293,331) in oil revenue, paid \$6,801 (December 31, 2018 - \$41,690) in royalties and paid \$19,042 (December 31, 2018 - \$235,401) for direct costs relating to oil production, all through Westcore.

See also Note 10 in relation to a promissory note issued to MAS Gold Corp., a Company that is related due to having a common director and common management. Also, the Company subscribed for 833,333 units of MAS Gold Corp. at a price of \$0.12 per unit, in a private placement which closed on April 3, 2019. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable for a two year period at an exercise price of \$0.15 per common share.

Included in accounts payable is an advance from a related party in the amount of \$200,000. The amount is unsecured, non-interest bearing and is due on demand.

EROS RESOURCES CORP.

(an exploration stage enterprise)

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2019 and 2018

(unaudited - expressed in Canadian dollars)

10. PROMISSORY NOTES RECEIVABLE

In the nine months ended September 30, 2019, the Company advanced MAS Gold Corp a total of \$250,500 under a promissory note. The promissory note is unsecured, non-interest bearing and is due on demand.

11. DECOMMISSIONING LIABILITY

The Company has estimated the total discounted amount of future cash flows to settle decommissioning liabilities relating to its oil and gas interests to be \$127,909 (December 31, 2017 – \$126,029). The total amount is expected to be incurred in the next 10 years and was discounted using an interest rate of 3%.

	Flaxcombe
Balance at December 31, 2017	\$ 126,029
Accretion	3,760
Balance at December 31, 2018	\$ 129,789
Accretion	1,940
Balance at June 30, 2019	\$ 131,729

12. CAPITAL DISCLOSURES

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties and other strategic investments. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as shareholders' equity. The Company is not exposed to any capital requirements.

The Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. In addition, the Company evaluates investment opportunities, as well as existing investments, for suitability and potential on an on-going basis. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no capital restrictions in the year ended December 31, 2018, or in the period ended September 30, 2019 and the Company had no debt.