

Gitennes Exploration Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Company's interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company 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 financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

"Ken Booth"

Chief Executive Officer

"Kerry Spong"

Chief Financial Officer

November 20, 2020

Gitennes Exploration Inc.

Condensed Interim Consolidated Balance Sheets

Canadian Funds

Unaudited

| | September 30, 2020 | December 31, 2019 |
|---|-----------------------|----------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 1,408,093 | \$ 3,177 |
| Accounts receivable | 14,091 | 23,328 |
| Prepaid expenses | 43,069 | 72,055 |
| | <u>1,465,253</u> | <u>98,560</u> |
| Reclamation Bonds | 31,500 | 31,500 |
| Equipment | <u>2,649</u> | <u>3,117</u> |
| | <u>\$ 1,499,402</u> | <u>\$ 133,177</u> |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities (Note 5) | \$ 451,698 | \$ 259,535 |
| Deferred flow-through premium liability (Note 3a) | 1,812 | 2,672 |
| | <u>453,510</u> | <u>262,207</u> |
| Long-Term Debt – Related Parties (Note 5) | - | 42,500 |
| | <u>453,510</u> | <u>304,707</u> |
| SHAREHOLDERS' EQUITY (DEFICIENCY) | | |
| Share Capital (Note 3a) | 35,638,928 | 33,967,305 |
| Contributed Surplus | 1,964,595 | 1,869,922 |
| Deficit | <u>(36,557,631)</u> | <u>(36,008,757)</u> |
| | <u>1,045,892</u> | <u>(171,530)</u> |
| | <u>\$ 1,499,402</u> | <u>\$ 133,177</u> |

Nature of Operations and Going Concern (Note 1)

ON BEHALF OF THE BOARD:

"Ken Booth", Director

"Robert Matthews", Director

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements of Changes In Shareholders' Equity (Deficiency)

For the Nine Months Ended September 30

Canadian Funds

Unaudited

| | Share Capital (Note 3a) | Contributed Surplus | Deficit | Total |
|---|----------------------------|------------------------|------------------------|---------------------|
| Balance – December 31, 2018 | \$ 33,478,059 | \$ 1,766,086 | \$ (35,394,586) | \$ (150,441) |
| Private placement - units | 140,700 | 44,380 | - | 185,080 |
| Private placement – flow-through units | 328,262 | 43,018 | - | 371,280 |
| Share issuance costs | (47,719) | - | - | (47,719) |
| Finders' warrants issued | (16,438) | 16,438 | - | - |
| Flow-through premium | (22,952) | - | - | (22,952) |
| Shares issued for property | 80,500 | - | - | 80,500 |
| Comprehensive loss for the period | - | - | (249,236) | (249,236) |
| Balance – September 30, 2019 | \$ 33,940,412 | \$ 1,869,922 | \$ (35,643,822) | \$ (166,512) |
| Balance – December 31, 2019 | \$ 33,967,305 | \$ 1,869,922 | \$ (36,008,757) | \$ (171,530) |
| Private placement - units | 751,000 | - | - | 751,000 |
| Private placement - flow-through units | 644,600 | - | - | 644,600 |
| Private placement - units | 300,000 | - | - | 300,000 |
| Share issuance costs | (156,454) | - | - | (156,454) |
| Finders' warrants issued | (94,673) | 94,673 | - | - |
| Shares issued in settlement of finder's fee payable | 2,450 | - | - | 2,450 |
| Shares issued for properties | 224,700 | - | - | 224,700 |
| Comprehensive loss for the period | - | - | (548,874) | (548,874) |
| Balance – September 30, 2020 | \$ 35,638,928 | \$ 1,964,595 | \$ (36,557,631) | \$ 1,045,892 |

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements Of Comprehensive Loss

For the Three and Nine Months Ended September 30

Canadian Funds

Unaudited

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|-------------------|---|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Expenses | | | | |
| Accounting and audit | \$ 16,250 | \$ 14,250 | \$ 46,148 | \$ 43,554 |
| Consulting | 22,200 | - | 22,200 | - |
| Depreciation | 156 | 195 | 468 | 585 |
| Exploration and evaluation (Note 4) | 357,059 | 91,036 | 269,430 | 91,241 |
| General exploration | - | - | 1,766 | - |
| Interest income | - | - | (1,561) | - |
| Interest on long-term debt (Note 5) | 857 | 857 | 2,552 | 2,543 |
| Interest – other (Note 3a) | - | 7,416 | - | 7,416 |
| Legal | 19,372 | - | 34,301 | 1,321 |
| Management fees | 20,000 | 15,000 | 47,000 | 45,000 |
| Office, rent, and miscellaneous | 2,471 | 6,198 | 6,350 | 16,338 |
| Part XII.6 tax (Note 3a) | 1,860 | - | 5,781 | - |
| Promotion and public relations | 31,742 | - | 79,429 | - |
| Shareholder information | 5,080 | 7,887 | 5,729 | 9,823 |
| Stock exchange and filing | 12,625 | 1,993 | 20,574 | 10,653 |
| Transfer agent | 1,743 | 745 | 3,696 | 2,677 |
| Travel | 4,662 | 8,401 | 9,546 | 17,085 |
| Loss Before Other Items | 496,077 | 153,978 | 553,409 | 248,236 |
| Impairment of Due from AndeanGold Ltd. (Note 4) | - | - | - | 1,000 |
| Gain on settlement of debt (Note 3a) | (3,675) | - | (3,675) | - |
| Loss Before Income Taxes | 492,402 | 153,978 | 549,734 | 249,236 |
| Deferred income tax recovery (Note 3a) | (157) | - | (860) | - |
| Comprehensive Loss for the Period | \$ 492,245 | \$ 153,978 | \$ 548,874 | \$ 249,236 |
| Loss Per Share – Basic and Diluted | \$ 0.02 | \$ 0.02 | \$ 0.04 | \$ 0.03 |
| Weighted-Average Number of Shares Outstanding – Basic and Diluted | 20,628,956 | 8,702,975 | 13,967,011 | 8,702,975 |

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the Nine Months Ended September 30

Canadian Funds

Unaudited

| | 2020 | 2019 |
|---|---------------------|----------------------|
| Cash Flows from Operating Activities | | |
| Loss for the period | \$ (548,874) | \$ (249,236) |
| Items not involving cash | | |
| Impairment of Due from AndeanGold Ltd. | - | 1,000 |
| Shares issued for properties | 210,000 | 80,500 |
| Shares issued for property finders' fees | 14,700 | - |
| Gain on settlement of debt | (3,675) | - |
| Deferred income tax recovery | (860) | - |
| Depreciation | 468 | 585 |
| Changes in non-cash working capital items | | |
| Accounts receivable | 9,237 | 6,697 |
| Prepaid expenses | 28,986 | 406 |
| Accounts payable and accrued liabilities | 198,288 | 142,888 |
| | <u>(91,730)</u> | <u>(17,160)</u> |
| Cash Flows from Investing Activities | | |
| Reclamation bonds | <u>-</u> | <u>(6,000)</u> |
| Cash Flows from Financing Activities | | |
| Share capital issued for cash | 1,695,600 | 556,360 |
| Share issuance costs | (156,454) | (47,719) |
| Repayment of long-term debt – related parties | (42,500) | - |
| | <u>1,496,646</u> | <u>508,641</u> |
| Change in Cash Position | 1,404,916 | 485,481 |
| Cash Position - Beginning of Period | <u>3,177</u> | <u>41,126</u> |
| Cash Position - End of Period | \$ 1,408,093 | \$ 526,607 |
| Supplemental schedule of non-cash financing activities | | |
| Shares issued for properties | \$ 210,000 | \$ 80,500 |
| Shares issued for property finders' fees | \$ 14,700 | \$ - |
| Shares issued for settlement of finder's fee payable | \$ 2,450 | \$ - |
| Finders' warrants issued | \$ 94,673 | \$ 16,438 |
| Flow-through premium liability | \$ - | \$ 22,952 |

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

1. Nature of Operations and Going Concern

Gitennes Exploration Inc. (“the Company”) is incorporated in the province of British Columbia with its principal office located at 410 – 325 Howe Street, Vancouver, British Columbia. The Company is currently exploring one property in northern British Columbia, three properties in northern Quebec, and has a royalty interest in a property located in Peru. All of these properties are in the exploration stage and it has not yet been determined whether they contain mineral reserves.

These condensed interim consolidated 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 at least the next twelve months. Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration and development of its properties will result in profitable mining operations or royalty payments to the Company. The Company has no ongoing source of revenue and will require cash to maintain its mineral interests and meet its administrative overhead. As at September 30, 2020, the Company had an accumulated deficit of \$36,557,631 and working capital of \$1,011,743, which is considered insufficient to meet its overhead requirements and planned exploration programs for the ensuing twelve months.

The ability of the Company to continue as a going concern is dependent upon its ability to realize on its assets or raise additional financing to complete the development of its mineral properties and fund future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future. In addition, the outbreak of the COVID-19 pandemic has introduced significant uncertainty into the capital markets, which may affect the ability of junior exploration companies to raise equity to fund exploration activities.

These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Significant Accounting Policies and Basis of Presentation

Statement of compliance

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 as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These interim statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these financial statements.

These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended December 31, 2019. All financial information presented herein is unaudited. The Company’s board of directors approved these financial statements for issue on November 20, 2020.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

3. Share Capital

The authorized share capital of the company consists of an unlimited number of common shares without par value.

a) Issued and outstanding

| | Shares | Amount |
|---|------------|---------------|
| Balance – December 31, 2018 | 8,702,996 | \$ 33,478,059 |
| Private placement – units | 528,800 | 140,700 |
| Private placement – flow-through units | 1,060,800 | 328,262 |
| Share issuance costs | - | (47,719) |
| Finders' warrants issued | - | (16,438) |
| Flow-through premium | - | (22,952) |
| Shares issued for Maroon property (Note 4) | 30,000 | 10,500 |
| Shares issued for Snowbird property (Note 4) | 200,000 | 70,000 |
| Shares issued in settlement of debt | 76,838 | 26,893 |
| Balance – December 31, 2019 | 10,599,434 | 33,967,305 |
| Private placement – units | 9,387,500 | 751,000 |
| Private placement – flow-through units | 5,860,000 | 644,600 |
| Private placement – units | 2,500,000 | 300,000 |
| Share issuance costs | - | (156,454) |
| Finders' warrants issued | - | (94,673) |
| Shares issued for Snowbird property (Note 4) | 200,000 | 28,000 |
| Shares issued for Snowbird property finder's fee (Note 4) | 17,500 | 2,450 |
| Shares issued for JMW property (Note 4) | 1,000,000 | 140,000 |
| Shares issued for JMW property finder's fee (Note 4) | 87,500 | 12,250 |
| Shares issued for RAL property (Note 4) | 150,000 | 21,000 |
| Shares issued for New Mosher property (Note 4) | 150,000 | 21,000 |
| Shares issued in settlement of debt | 17,500 | 2,450 |
| Balance – September 30, 2020 | 29,969,434 | \$ 35,638,928 |

Effective July 15, 2020, the Company consolidated its outstanding common shares on the basis of one post-consolidation share for every ten pre-consolidation shares. All information and per-share amounts in respect of issued and outstanding shares, incentive stock options, share purchase warrants, and loss per share have been retrospectively adjusted to reflect the consolidation.

In September 2019, the Company completed a private placement by issuing 528,800 units at a price of \$0.35 per unit for gross proceeds of \$185,080 and 1,060,800 flow-through units at a price of \$0.35 per flow-through unit for gross proceeds of \$371,280. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.50 per share for a period of three years. Each flow-through unit consisted of one common flow-through share and one two-year non-flow-through share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.50 per share in the first year or \$0.60 per share in the second year. The Company paid finders' fees of \$39,189, issued 111,968 finders' warrants valued at \$16,438, paid a \$5,000 corporate finance fee and \$3,530 in legal and filing fees in respect of the placement. The unit price of this offering exceeded the trading price of the shares on the date of issuance, therefore, \$87,398 of the unit proceeds, being the estimated residual value, was assigned to the warrants and classified as contributed surplus.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

3. Share Capital - *continued*

a) Issued and outstanding - *continued*

The value of the flow-through feature of the flow-through shares was estimated at \$22,952 resulting in a flow-through premium liability, which, upon incurring the required qualifying exploration expenditures, will be derecognized and a deferred income tax recovery will be recorded. To September 30, 2020, the Company had incurred qualifying expenditures totalling \$341,975 and derecognized \$21,140 of the premium liability. The balance of the deferred flow-through premium liability of \$1,812 will be derecognized upon completion of the qualifying expenditures. To September 30, 2020, the Company recorded a deferred income tax recovery of \$860 on the current qualifying expenditures and Part XII.6 tax payable of \$5,781 in respect of the remaining balance of qualifying expenditures to be incurred in 2020.

In October 2019, the Company issued 76,838 common shares from treasury in settlement of an outstanding account payable of \$38,418 due to an arm's length supplier by issuing shares with a fair value of \$26,893. To September 30, 2019, accrued interest on this amount totalled \$7,416.

In August 2020, the Company completed a private placement by issuing 9,387,500 units at a price of \$0.08 per unit for gross proceeds of \$751,000 and 5,860,000 flow-through units at a price of \$0.11 per flow-through unit for gross proceeds of \$644,600. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.15 per share for a period of two years. Each flow-through unit consisted of one common flow-through share and one-half of one non-flow-through share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.20 per share for a period of two years. The Company paid finders' fees of \$79,808, issued 851,800 finders' warrants valued at \$94,673, paid a \$2,000 corporate finance fee and paid \$55,617 in legal and filing fees in respect of the placement. The unit price of this offering was less than the trading price of the shares on the date of issuance, therefore, no flow-through premium was recorded and no residual value was assigned to the warrants.

In September 2020, the Company completed a private placement by issuing 2,500,000 units at a price of \$0.12 per unit for gross proceeds of \$300,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.18 per share for a period of three years. The Company paid \$19,029 in legal and filing fees in respect of the placement. The unit price of this offering was less than the trading price of the shares on the date of issuance, therefore, no residual value was assigned to the warrants.

In September 2020, the Company issued 17,500 common shares from treasury in settlement of an outstanding finder's fee payable on the Snowbird property (*Note 4*). The balance of the payable of \$6,125 was settled by issuing shares with a fair value of \$2,450 resulting in the recognition of a gain on settlement of debt of \$3,675.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

3. Share Capital - continued

b) Stock options

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. The board of directors determines the exercise price per share and the vesting period under the plan, subject to TSX Venture Exchange policy. Details of stock option activities are as follows:

| | Number | Weighted Average Exercise Price |
|--|----------|--|
| Balance – December 31, 2018 | 645,000 | \$ 0.54 |
| Expired | (10,000) | \$ 0.50 |
| Balance – December 31, 2019 and September 30, 2020 | 635,000 | \$ 0.54 |

As at September 30, 2020, the Company had stock options outstanding entitling the holders to purchase common shares of the Company as follows:

| Number | Exercise Price | Expiry Date |
|---------|----------------|-------------------|
| 240,000 | \$ 0.50 | October 28, 2021 |
| 150,000 | \$ 0.50 | February 15, 2022 |
| 60,000 | \$ 0.50 | June 22, 2022 |
| 40,000 | \$ 1.20 | October 25, 2022 |
| 145,000 | \$ 0.50 | August 21, 2023 |
| 635,000 | | |

As at September 30, 2020, the outstanding options had a weighted-average remaining life of 1.69 years; all outstanding options had vested and were exercisable.

c) Warrants

Details of share purchase warrant activities are as follows:

| | Number | Weighted Average Exercise Price |
|------------------------------|------------|--|
| Balance – December 31, 2018 | 1,197,530 | \$ 1.44 |
| Issued | 1,701,568 | \$ 0.50 |
| Expired | (388,667) | \$ 2.50 |
| Balance – December 31, 2019 | 2,510,431 | \$ 0.64 |
| Issued | 15,669,300 | \$ 0.16 |
| Expired | (808,863) | \$ 0.92 |
| Balance – September 30, 2020 | 17,370,868 | \$ 0.20 |

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

3. Share Capital - continued

c) Warrants - continued

As at September 30, 2020, the Company had share purchase warrants outstanding entitling the holders to purchase common shares of the Company as follows:

| Number | Exercise Price | Expiry Date |
|-------------------|----------------|-------------------------|
| 802,200 | \$ 0.60 | September 12, 2021 (i) |
| 63,376 | \$ 0.50 | September 12, 2021 |
| 258,600 | \$ 0.60 | September 18, 2021 (ii) |
| 174,000 | \$ 0.50 | September 12, 2022 |
| 403,392 | \$ 0.50 | September 18, 2022 |
| 9,969,780 | \$ 0.15 | August 6, 2022 |
| 2,953,200 | \$ 0.20 | August 6, 2022 |
| 246,320 | \$ 0.15 | August 7, 2022 |
| 2,500,000 | \$ 0.18 | September 14, 2023 |
| <u>17,370,868</u> | | |

(i) Exercise price increased from \$0.50 per share on September 12, 2020.

(ii) Exercise price increased from \$0.50 per share on September 18, 2020.

As at September 30, 2020, the outstanding warrants had a weighted-average remaining life of 1.96 years.

4. Exploration and Evaluation

Details of the Company's mineral interests are as follows:

Snowbird, British Columbia, Canada

In February 2017, the Company entered into an option agreement granting it the right to earn a 100% interest in the Snowbird property located near Fort St. James, British Columbia. To earn its interest, the Company, at its option, must issue 1,200,000 shares (issued) and incur \$1,500,000 in exploration expenditures as follows:

| | Shares | Expenditures |
|---|------------------|---------------------|
| Upon regulatory approval (issued) | 600,000 | \$ - |
| On or before September 30, 2018 (issued/incurred) | 200,000 | 500,000 |
| On or before September 30, 2019 (issued) | 200,000 | - |
| On or before December 31, 2019 (incurred) | - | 500,000 |
| On or before September 30, 2020 (issued) | 200,000 | - |
| On or before September 30, 2021 (i) | - | 500,000 |
| | <u>1,200,000</u> | <u>\$ 1,500,000</u> |

(i) The optionor granted a one-year extension from the original expenditure requirement date.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

4. Exploration and Evaluation - continued

Snowbird, British Columbia, Canada - continued

During 2020, the Company issued 200,000 shares with a fair value of \$28,000 (2019 - 200,000 shares with a fair value of \$70,000) to the optionors. A finder's fee is payable on the transaction, which requires the issuance of shares in stages as the Company issues shares to the optionor. During 2020, the Company issued 17,500 shares with a fair value of \$2,450 to the finders in respect of the 2020 finder's fee payable; the Company also issued 17,500 shares with a fair value of \$2,450 in respect of the 2019 finder's fee payable (*Note 3a*). As at September 30, 2020, no further share issuances are required in respect of the Snowbird property.

The option agreement provides for a 2% net smelter returns royalty ("NSR") that, upon payment of royalty payments totalling \$1,300,000, reverts to an uncapped 1% NSR.

Maroon, British Columbia, Canada

In May 2018, the Company entered into an option agreement to acquire a 100% interest in the Maroon gold property located 35 kilometres north of Terrace, British Columbia. Over the term of the agreement, the Company paid the optionor \$15,000, issued 60,000 shares, and incurred exploration expenditures of \$11,670 to conduct a work programme that consisted of reconnaissance mapping and sampling and surveying of historic trenches and adits. The Company returned the property to the optionor in May 2020.

Urupalqui, Peru

In December 2014, AndeanGold Ltd. ("Andean") earned a 100% interest in the Company's Urupalqui project situated in north-central Peru. The Company retained an uncapped NSR of 1.5% on all metals produced at Urupalqui, with no buy-out or other provisions attached. In addition, the Company retained a convertible debenture receivable from Andean with a face value of \$475,000, an annual interest rate of 6%, and which is convertible into shares of Andean, at the Company's option, at a conversion rate of \$0.06 per Andean share.

Since October 1, 2015, the common shares of Andean have been subject to a Cease-Trade Order issued by the British Columbia Securities Commission due to a default in complying with its continuous disclosure filing requirements. On December 31, 2015, the Company recorded an impairment loss to write down the carrying value to a nominal balance of \$1,000 and in 2019, recorded a full write-down of this receivable. Management remains committed to collecting the full amount of the debenture, plus accrued interest, as future circumstances permit. The Company also holds 663,000 common shares of Andean, which are carried at nominal value.

Rivière-à-l'Aigle ("RAL"), Quebec, Canada

In June 2020, the Company entered into an option agreement granting it the right to earn up to an 85% interest in the RAL property located in the Lac Windfall region of northern Quebec. To earn a 70% interest, the Company, at its option, must issue shares and incur exploration expenditures as follows:

| | Shares | Expenditures |
|--|-----------|--------------|
| Upon regulatory approval (<i>issued</i>) | 150,000 | \$ - |
| On or before September 30, 2021 | 250,000 | 150,000 |
| On or before September 30, 2022 | 300,000 | 250,000 |
| On or before September 30, 2023 | 300,000 | 400,000 |
| On or before September 30, 2024 | 500,000 | 700,000 |
| | 1,500,000 | \$ 1,500,000 |

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

4. Exploration and Evaluation - *continued*

Rivière-à-l'Aigle ("RAL"), Quebec, Canada - *continued*

Upon earning a 70% interest, the Company can elect to increase its interest in the property to 85% either by producing an inferred resource or completing a preliminary economic assessment ("PEA") within 12 months of making such election. The Company will pay the optionor \$250,000 in cash or shares, at the Company's option, upon producing an inferred resource or \$750,000 in cash upon delivering a PEA. The property is subject to a 1.5% NSR, which can be reduced to 0.5% upon payment of \$1,000,000 to the optionor. Upon earning either a 70% or 85% interest, the Company and the optionor will form a joint venture to further develop the property.

During 2020, the Company issued 150,000 shares with a fair value of \$21,000 to the optionors.

New Mosher, Quebec, Canada

In June 2020, the Company entered into an option agreement granting it the right to earn up to an 85% interest in the New Mosher property located in the James Bay region of northern Quebec. To earn a 70% interest, the Company, at its option, must issue shares and incur exploration expenditures as follows:

| | Shares | Expenditures |
|--|-----------|--------------|
| Upon regulatory approval (<i>issued</i>) | 150,000 | \$ - |
| On or before September 30, 2021 | 150,000 | 150,000 |
| On or before September 30, 2022 | 150,000 | 250,000 |
| On or before September 30, 2023 | 150,000 | 300,000 |
| On or before September 30, 2024 | 400,000 | 300,000 |
| | 1,000,000 | \$ 1,000,000 |

Upon earning a 70% interest, the Company can elect to increase its interest in the property to 85% either by producing an inferred resource or completing a PEA within 12 months of making such election. The Company will pay the optionor \$250,000 in cash or shares, at the Company's option, upon producing an inferred resource or \$750,000 in cash upon delivering a PEA. The property is subject to a 1.5% NSR, which can be reduced to 0.5% upon payment of \$1,000,000 to the optionor. Upon earning either a 70% or 85% interest, the Company and the optionor will form a joint venture to further develop the property.

During 2020, the Company issued 150,000 shares with a fair value of \$21,000 to the optionors.

JMW, Quebec, Canada

In June 2020, the Company entered into an agreement to purchase a 100% interest in the JMW property located in northern Quebec and a ten-claim property located in the Val-d'Or region of Quebec. In September 2020, the Company paid \$25,000 and issued 1,000,000 shares with a fair value of \$140,000 to the vendors of the properties. The Company must issue a further 750,000 shares to the vendors after twelve months, subject to an adjustment in the shares issuable to provide a minimum fair value of \$75,000 to the vendors. As at September 30, 2020, the fair value of the future consideration payable is \$105,000 and is being carried at fair value through profit or loss in accounts payable. The Company issued 87,500 shares with a fair value of \$12,250 as a finder's fee.

The properties are subject to an NSR of 2%, one-half of which can be purchased for \$1,000,000. The Company has granted the vendors of the properties a further 1.5% NSR, which can be reduced to 0.5% upon payment of \$1,000,000 to the vendors.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

4. Exploration and Evaluation - continued

Exploration and evaluation expenditures

The Company expenses exploration and evaluation costs relating to its mineral property interests in the period incurred. Expenditures for the period and cumulative expenditures as at September 30, 2020 are as follows:

| Canada | Nine Months 2020 | Nine months 2019 | Cumulative 2020 |
|---|---------------------|---------------------|---------------------|
| Snowbird, British Columbia | | | |
| Option payments, finder's fees, and staking | \$ 30,450 | \$ 77,000 | \$ 553,010 |
| Assays | - | - | 68,773 |
| Camp and general | - | 1,326 | 25,878 |
| Consulting | - | - | 20,598 |
| Drilling | - | - | 505,716 |
| Geological | 7,930 | - | 237,801 |
| Geophysical | - | - | 26,966 |
| Mapping and survey | 935 | 322 | 22,467 |
| Transportation | - | 1,043 | 118,886 |
| Expense recoveries | (89,543) | - | (138,795) |
| | <u>(50,228)</u> | <u>79,691</u> | <u>1,441,300</u> |
| Maroon, British Columbia | | | |
| Option payments and finder's fees | - | 11,550 | 45,969 |
| Assays | - | - | 744 |
| Camp and general | - | - | 193 |
| Geological | - | - | 2,500 |
| Mapping and survey | - | - | 1,773 |
| Transportation | - | - | 6,460 |
| Expense recoveries | (6,951) | - | (6,951) |
| | <u>(6,951)</u> | <u>11,550</u> | <u>50,688</u> |
| JMW, Quebec | | | |
| Option payments and finder's fee | 282,250 | - | 282,250 |
| Mapping and survey | 2,359 | - | 2,359 |
| | <u>284,609</u> | <u>-</u> | <u>284,609</u> |
| RAL, Quebec | | | |
| Option payments | 21,000 | - | 21,000 |
| New Mosher, Quebec | | | |
| Option payments | 21,000 | - | 21,000 |
| | <u>\$ 269,430</u> | <u>\$ 91,241</u> | <u>\$ 1,818,597</u> |

Title

Ownership of mineral interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral properties and its NSR on the Urumalqui property and, to the best of its knowledge, ownership of these interests is in good standing.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

Canadian Funds

Unaudited

5. Related Party Transactions and Key Management Compensation

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations and were measured at the amounts agreed to by the parties. Key management personnel include executive and non-executive directors and executive officers. The compensation paid or payable to key management is as follows:

| | 2020 | | 2019 | |
|--------------------------------|------|--------|------|--------|
| Administrative consulting fees | \$ | 47,000 | \$ | 45,000 |
| Geological consulting fees | | 3,000 | | - |
| Accounting fees | | 33,500 | | 31,500 |
| | \$ | 83,500 | \$ | 76,500 |

Accounts payable includes \$264,150 (December 31, 2019 - \$214,000) in accrued administrative and geological consulting and accounting fees due to the chief executive officer and the chief financial officer.

During the period, the Company repaid \$42,500 in accrued administrative consulting and accounting fees due to the chief executive officer and the chief financial officer. This balance had been classified as long-term debt bearing interest at 8% per annum. Interest totalling \$2,552 was paid on these amounts during the period.

6. Segmented Information

The Company currently operates in only one operating segment, that being the mineral exploration industry. The Company currently has one exploration project in British Columbia, Canada, three projects in Quebec, Canada, and a royalty interest in a property located in Peru that is owned by Andean.
